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INDUSTRY LOWERS OUTPUT COSTS BY STANDARDIZATION

Huge Saving Effected Through Reducing Variety of Styles and Sizes

CHIEFLY IN U. S. A.

Another Bank Adds Testimony to Unanimous Confidence in Business and Industrial Outlook

The evident interest displayed by an audience of several hundred business men in Toronto this week, in a discussion by an eminent authority, R. M. Hudson, of Secretary Hoover's department, Washington, reflects the importance placed upon this question by business leaders. The necessity of lowering production costs in various directions is more and more recognized. In these columns last week the question of making output costs conform to the willingness of the public to pay, rather than the reverse, was discussed. Another means of lowering costs—probably the most potent yet adopted—is this movement towards standardization of products. Canadian industry has not yet taken any concerted action towards standardization, but has studied with intense interest the changes instituted by the United States Department of Trade under Secretary Hoover.

Standardization as here applied means the reduction in types, styles and colors of industrial products. Instead of a hundred sizes or styles of a certain article, there are now ten or less. Instead of each manufacturer having his own wide variety of sizes and types of a given product, all are conforming to a studied average which, presumably, is that for which demand has been greatest. Many manufacturers are analysing their sales, adopting the most popular size or style, and abondoning the others. Sixty-six types of brick, for example, have been reduced to five. Several hundred styles of certain farm equipment have been reduced to less than fifty. The size of bolts for certain classes of machinery have been reduced from some hundreds to a few dozens. A myriad of shades and colors in articles of apparel have been reduced to half a dozen. The same applies to all manner of machinery, clothing and household necessities.

What Standardization Achieves

There are several advantages in standardization. Probably the most obvious is the reduction of stocks and consequently of deterioration. In a number of instances the stock on hand was reduced to such an extent that there was a large saving in insurance, in capital tied up, in space required, in loss through style changes and through deterioration. Then again there is a saving in the payroll. Fewer clerks are required to follow a wide variety of slightly varying materials through the entire productive process. This involves a material saving in accounting. It allows for mass production in the residual sizes or styles, and makes possible an improvement in their standard of quality. It reduces loss through lack of co-ordination between consumption and production, and enables the manufacturer to make a more accurate estimate of demand. In short, standardizing of products reduced labor costs, equipment costs and bookkeeping costs. This means a reduction in the price which the ultimate consumer must pay for the article. It also means a greater convenience to him in obtaining products such as machinery parts, automobile equipment, etc.

What has already been accomplished in the United States, and to a more limited extent in Canada, is heralded as a huge saving, and there is evidence that it will go much farther than it has yet gone, in Canadian industry. As a younger industrial nation, Canada can more easily apply the principles adopted by our more experienced neighbor and competitor, and the fact that these methods have been adopted by a competitor makes it all the more essential that they be called to the assistance of business and industy in this country.

Farmer Now Liquidating His Past Indebtedness

Both the president and the general manager of the Bank of Toronto have added their opinions to the almost unanimous feeling of confidence on the part of banking leaders, in the business situation. While pointing to the need for further economy, both in public and in private business, A. W. Austin, president of the bank, drew attention to the amount of liquidation which has resulted from the increased revenue from last year's crops and farm products in general. Mr. Austin said: "The country enjoyed excellent crops in 1925. They have returned satisfactory prices to the farmer enabling him to liquidate or substantially reduce his accumulated indebtedness, as a result of which prospects are more encouraging than for years past."

"It would be going too far," said C. A. Bogert, general manager of the bank, "to say that general prosperity has returned, but we know that mer-

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Paper, Power and Railway Development for Northern Ontario

The report that a sixty-mile logging railway was to be built from Kapuskasing north is just another step in the establishment of the large $20,000,000 Kimberly-Clarke pulp, paper and power enterprise on the Transcontinental Railway.

The pulp and paper plant will be at Kapuskasing, and a large centre, much the same as at Iroquois Falls, will be established. The pulp limits are at Smoky Falls, 60 miles north. Here also is a power development capable of producing 60,000 h.p. which the company has secured. It is estimated that the pulp and paper plant and the power development will cost $20,000,000, and there will be the additional cost of the 60 miles of logging road.

COMPANIES CAN MEET SITUATION IN RURAL CREDITS

Assurance of Clear First Mortgage Would Warrant Lower Rates

Special Correspondence.

OTTAWA.—Having in mind the improvement which has taken place in the economic position of Canadian agriculture and the lesson taught by the experience of federal and provincial governments in other rural credit schemes, it is evident that there is growing hesitancy on the part of the government to carry out the proposals for a national plan of loans to farmers. It is recognized, of course, that agriculture as one of the great basic industries should be encouraged in every reasonable and feasible way, but the insistent demands for immediate relief having passed with the better conditions following last year's crop, there is increasing appreciation of the difficulties and losses which have attended the federal seed grain loans of 1915 and the various rural credit plans under the jurisdiction of provincial governments.

The recent figures issued in connection with the credit scheme of the Manitoba Government, showing a loss of $700,000 on the $2,500,000 of loans outstanding and that money costing the government 10 per cent. was being loaned at 7 per cent. with the difference of three per cent. being borne by the taxpayer, are regarded as significant and perhaps typical of what is happening, or has happened, in the other provinces. Even where, as in the case of Ontario losses are not indicated in the financial statement submitted in connection with the credit plan, it is realized that a great many doubtful loans have been made through political influence while in other cases the loaning corporation have encouraged borrowers, about whose ability to meet their obligations they had apprehension to get loans from the government board and pay off their existing company mortgages.

What is more, it is believed that the mortgage companies would be in a position to offer loans on as favorable a basis as the government could very well afford to do where there is first mortgage security. One of the important factors in increasing the cost of money to Western borrowers has been the legislation through which the governments have recognized prior claims and, generally speaking, a first mortgage has become an empty and meaningless expression. As a matter of fact in some of the prov-

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Cut in U.S. Postage Ran up Big Deficit

OTTAWA.—The propaganda which has been started in Canada for a reduction of the letter rate is inspired by the same interests who developed and carried it through successfully in the United States, so it is said here. The result in the United States, however, has been disastrous. The annual report of the U.S. Postmaster-General, recently issued, shows that notwithstanding general economies and increased efficiency the American taxpayers must make up $40,453,090 of losses on the service. That is, by reducing the postal rates the U.S. government must collect taxes by a much more expensive method from the general public. It is a case of bonusing the mail users.

Ontario Steel Products Operates at Capacity

From Our Own Correspondent.

MONTREAL.—Since early in September the spring and axle plants of the Ontario Steel Products Company have been steadily operating at capacity. The outlook for the coming year is excellent; there is the possibility also that the plants may have to be operated overtime.

The company supplies the major portion of the Canadian automobile industry's spring and axle requirements; in addition, it manufactures shovels and mining tools. In the case of the latter, although this plant has not been producing at capacity, yet the demand has improved and the outlook in this branch of the company's activities is excellent also.

MASSEY-HARRIS REPORTS SHOW GREAT RECOVERY

Better Conditions and Good Management Make Themselves Felt

DEBTS LIQUIDATED

Millions Have Been Paid Off to the Bank—Reorganization of Capital Proposed to Make Shares More Stable

A few years ago the Massey-Harris Company owed its bankers a sum between $12,000,000 and $13,000,000 representing implements sold on credit. Recently the company has been able to show a substantial cash surplus. Perhaps in no more effective way could the change that has been brought about in the affairs of this great Canadian industrial organization be illustrated. And the improvement which has taken place in the position of the Massey-Harris is the reflection of the better agricultural conditions in Canada, as it is also evidence of the effectiveness of the financial policies of the present management.

The net income as shown in the annual report for the year ending November 30th, of $2,346,543, compares with $1,065,180 for 1924, and there was in addition the sum of $661,139 made available in recovery of assets previously written off. Interest charges were greatly reduced and after payment of income taxes and allowing nearly $1,000,000 for depreciation there were net profits of $1,411,174, compared with $87,711 in the previous year and deficits in years immediately preceding. Following is a summary of the figures from the profit and loss account for three years:

	1925	1924	1923
Net income	$2,346,543	$1,065,180	$1,120,937
Recov. of assets	661,139	....	....
	$3,007,682	$1,065,180	$1,120,937
Interest charges	480,513	667,668	616,087
Deprec'n.	939,165	282,567	174,708
Inc. taxes	150,000	....	....
Loss on receivables	....	....	233,309
For. exchange and taxes	....	....	95,834
Pension and insurance	26,830	27,235	23,447
Total deduc.	$1,596,508	$ 977,469	$1,143,385
Net Profit	$1,411,174	$ 87,711	x$ 22,448

xDeficit.

During the year, the company was successful in its suit, instituted under the terms of the Treaty of Versailles, against a European power for moneys sequestrated during the war and recovered the sum of $661,139. Advantage was taken of this recovery to make liberal appropriations for depreciation and reserves, as will be noted in the income account. The effect of that action is that the present net asset value of plant property has been so adjusted that it will be amortized well within the estimated life of each class of such property and that in subsequent years only normal re-

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How U.S. Tariff Board Protects Home Industry

Increased Duties and Changed Classifications Effective in Keeping Out Foreign Goods and Creating Prosperity —What is the Lesson for Canada?

A Federal Tariff Board is to be named very shortly by the Canadian government, according to a statement by Hon. Charles Stewart in the House of Commons. The success of such a board promises to depend largely upon its personnel. Business men feel that it should be a body of experts to advise the government with the members free from political or factional influences. They have in mind a board similar to the U.S. Tariff Commission.

Many exporters who have succeeded in developing a market in the United States have suddenly found that market cut off by an increase in the United States tariff, by a change in the classification of their product or by some other regulation brought into effect, over night as it were, through the United States Tariff Commission. On the advice of this body the President has the power to take very drastic steps for the protection of American manufacturers in their home markets. How is this commission constituted? How does it function so effectively? These are questions which are of vital interest at this time in view of the appointment of a Canadian tariff board.

The Financial Post has arranged with J. Courtland Elliott, a young Canadian economist who has studied trade conditions in Canada and in Europe and who is now continuing his studies at Washington, to write a series of articles which comprise a first-hand analysis of the United States Tariff Commission and the empowering legislation. These articles will form a valuable contribution to any discussion of the tariff question in this country.

Succeeding articles will discuss the operation of the provisions in regulating the import trade of the United States and the adaptability of the provisions to Canadian political and economic conditions.

WASHINGTON.—To control fiscal and trade policies, in so far as they are regulated by the customs tariff, the Canadian Government has resorted to irregular revision of its schedules. In 1897 and again in 1907 general revisions were completed and in the succeeding years specific alterations in rates have been made.

That this method of framing the tariff, unsettling as it is to business, is open to grave objections, that the endless controversy is due to the fact that Parliament does not seem able to give the electorate the policy they think they endorse at the polls, and that a way out may be found in the appointment of a permanent tariff commission have been pointed out by the writer in The Financial Post on a number of occasions since 1921.

Quite apart from these questions, however, there is a vital problem involved in the possibility of adapting the customs tariff quickly to national needs. In other words, is a flexible tariff desirable and, secondly, is it feasible?

Framing the U.S. Tariff

The United States has experimented with this idea for several years, and before answering these questions a brief summary of the American efforts can be given. The flexible tariff provisions of the U.S. Tariff Act of 1922 are found in three sections which had their origin in the political and economic unsettlement of that time.

Although the present U.S. Tariff Commission had been functioning since 1916 its activities were circumscribed considerably by law, and, when it was decided in 1921 to have a general revision of the customs tariff, the commission was not permitted to present the vital information it might have commanded.

The Flexible Trinity

Many factors contributed to the final decision, but the upshot was the introduction of three sections in the Tariff Act of 1922 known as the flexible tariff, the unfair practices and foreign discriminations provisions. They were hailed by President Harding as "The greatest contribution toward progress in tariff-making in a century."

Their virtue, whatever may be their faults, was the recognition of the fact that the determination of the principle or policy upon which tariff rates are decided is a legislative function which cannot be delegated. On the other hand, there was also a realization here, as there should be in Canada, that the finding of the facts can and should be an administrative function.

The distinct departure from the traditional method of tariff making is best indicated in the provisions themselves. The flexible tariff provision empowered the president, with restrictions and after investigation by the U. S. Tariff Commission, to raise or lower by 50 per cent. the existing tariff rates or to change the classifications or assessments of imports in order to equalize differences in costs of production at home and abroad.

The Anti-Dumping Clause

In the unfair practices or anti-dumping clause it was stated that "unfair methods of competition and unfair acts in the importation of articles into the United States....the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in the United States, are hereby declared unlawful."

To rectify such a situation the president was empowered, after investigation by the U. S. Tariff Commission, to levy an increase of duties as high as 50 per cent. or to direct the exclusion of such imports. In effect this

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Holders of Packing Shares Advised to Sell at Market

Point is Made by Investment House That Gunns, Limited, Will Show Loss of More Than $100,000 for Year Ending February—But There is Reason to Believe That Worst is Past

Some holders of Gunns, Ltd., preferred shares are in receipt of a communication from a Toronto investment house predicting that whereas the company showed a profit for 1924 of approximately $125,000, the present fiscal year ending Feb. 28, will show a loss for the twelve months substantiallly in excess of $100,000. The point is made that previous to the publication of the favorable statement a year ago the stock was selling around $26 and then advanced to $30. Further advances since have taken the price to $39—a price which the investment house referred to feels is not justified by the facts. The prediction is made that when this information becomes generally known the stock "will no doubt react to its previous level." Shareholders are therefore advised to take advantage of the opportunity to sell; instructions are asked to sell at $39 or better.

While nothing official can be obtained at this stage, The Financial Post understands that the prediction as to the financial results of the year of Gunns, Ltd., will probably be borne out by the report when it appears. There has been considerable improvement in the packing industry, but conditions are still said to be far from satisfactory both in the home and export markets; competitive conditions have been very keen, with the result that in many cases profits have been sacrificed. In the domestic market this has meant close competition for individual orders, with a tendency to cut prices, while in the export trade, where shipments have been put on the market at the same time, competing firms have endeavored to clean up their consignments in quick order by sacrificing prices.

In the British market, which is Canada's one important export field, the advantage has since the war been with the Danish packers. During the war Canada forgot quality to produce quantity and when the British Government withdrew its control of the bacon market Denmark was ready with a high class product to appeal to the British consumer. Since that time Denmark has been a big factor in the British market. Canada is

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Tide Turning for Ontario Iron Ores; Big Industry May Result

Ontario is not producing any iron ore, but indications are that this situation will be radically changed within the next few years.

The present rush of cheap iron ore from the Lake Superior section of United States is such that Ontario low grade ores cannot be produced, treated and marketed in competition. Besides, furnace practice has not been favorable to such ores as Ontario might produce.

The production of cheap ores in the United States will soon be seriously curtailed. Low priced royalty leases are nearing an end. With it will pass the present rush to mine and ship as much of this ore as possible before much higher royalties are demanded on lease renewals. A great many independent operators will have to look elsewhere.

As if to drive them over the border into Ontario, furnace practice is making a right-about-face. As will be seen by quotations from an article by Dwight Woodbridge, one of the foremost authorities on iron ores on the continent, furnace practice is coming around to a preference for a furnace burden of sintered ore. It lowers costs. Uniformity of grade is achieved. There can be no doubt, says Mr. Woodbridge, that, in the future, sintered ores will be in great demand.

Ontario ores do not pay a royalty. Instead, ores mined and treated in Ontario will draw a bounty of one per cent. per unit for a time at least. Taxation is only on net profits, while the taxation of United States iron ore mines is tremendous, in addition to high state and municipal levies, over and above the royalty.

Canadian ores are strategically located for rail and water hauls, but what is perhaps more important, the important ranges are all located in close proximity to large water powers, which will ensure cheap power for mining and for electrolytic smelters.

It is significant that Mr. Woodbridge and associates have taken up and are exploring the tremendous large Mattawin iron ore range just west of Fort William, as will be seen from an article on page 18 of this issue.

ASK BONDHOLDERS TO REDUCE CLAIMS ON MUNICIPALITIES

Proposals Made by Manitoba Government Commission

IS IT NECESSARY?

Representatives of Bondholders Contend That the Debts Should Stand in View of Improvement

Special Correspondence

WINNIPEG. — The financial difficulties of several suburan municipalities adjoining Winnipeg, whose affairs have come under the commission created by the provincial legislature, are being considered by the members of the commission and representatives of the Investment Bankers Association of Canada and the Dominion Mortgage & Investments Association on behalf of the holders of the bonds of these municipalities and the dealers who put them on the market. Certain tentative suggestions have been made by the commission in order to help the various municipalities concerned. Some of these have been along the line of scaling down the rate of interest paid and the possible scaling down of the outstanding debentures, as well. As opposed to these proposals the representatives of the bondholders take the stand that there has recently been a real improvement in the economic position of Western Canada and that, under the circumstances, no radical change in the position of the holders of the bonds should be considered.

Prior to the war the Canadian West as a whole experienced a period of great expansion and prosperity in which municipalities shared to an unusual degree. Increasing population influenced municipal authorities to undertake improvements that at the time seemed quite justified and bond issues were freely made. Then came the war which had the effect not only of stopping immigration but actually reducing the country's population. It was felt that after the war, with a return to more normal conditions, many municipalities would quickly replace their affairs in a sound position and in that respect good progress was being made. Up to two or three years ago the municipalities of Manitoba were meeting their indebtedness in a satisfactory manner. Unfortunately, however, during several years in succession weather conditions caused serious crop failures. The great reduction in agricultural production was reflected in loss in business and revenue in different communities and many of them had difficulty in balancing their budgets. The provincial government was appealed to for assistance and advances were granted which permitted municipalities to meet their obligations as they became due.

But by reason of the unexpected

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Canada Cement Buys Plant in United States

From Our Own Correspondent.

MONTREAL.—The Canada Cement Company has purchased the controlling interest in a plaster company situated in Chester, Pennsylvania. The acquisition of this new subsidiary means more than simply a new investment of the company's funds, for Canada Cement's gypsum mine and mill in Cape Breton will thus find a ready and profitable outlet for its production.

The annual statement will make its appearance early in February and will disclose the fact that the working capital position has undergone further improvement once again. During 1926, the company's income, derived from sources other than the manufacture of cement, will be further augmented by the income from its new investment in the U. S.

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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

BUILDING OUTLOOK IN PRAIRIE AREA VERY PROMISING

Large Orders For Lumber Being Placed With Coast Producers

By F. W. RITTER (Western Retail Lumbermen's Assn.)

The outlook for 1926 building is the best that it has been since practically 1919. The past year showed somewhat of an improvement, particularly in the larger centres and in some country points a nice volume of business was enjoyed by the retail lumber dealers.

The prairie market, while showing some improvement, did not prove a great factor until about the month of July, when it was understood that, approximately, 500 cars of lumber were ordered for prairie trade to take care of the fall business and the manufacturers felt greatly relieved to think that once again the prairie trade was proving a nice outlet for their products.

Late Season Hindered

However, owing to the lateness of the fall season, threshing operations on the prairies were greatly delayed with the result that the hoped for fall business did not materialize and, consequently, very few carloads of lumber were ordered outside of those placed during the month of July. The beginning of 1926, however, shows signs of considerable promise for early spring trade. The manufacturers on the coast have reduced their stocks considerably and are curtailing production to a large degree for the purpose, no doubt, of trying to improve prices.

In eastern Canada a fair trade in timbers and rough clears is already reported and a pretty steady business is being maintained. The B. C. lumber export market has taken a decided turn for the better and there is every likelihood of a good demand for 1926. Japan has bought fairly heavily for December and January issue, and is already inquiring freely for February and March delivery. Another encouraging feature from the manufacturing point of view is the fact that a new market has recently been opened up for B. C. fir in the British West Indies; monthly shipments are being arranged and bookings for this business are reported to be very satisfactory.

Prairies Buying Again

It is reported that the past 60 days, the Prairie retail lumber dealers have placed orders with the coast manufacturers for practically a thousand carloads of lumber. These orders, no doubt, were placed first of all for the reason that it is expected that coast lumber prices will tighten up very materially in the course of the next month or so, and, secondly, because the retailers in anticipation of an early spring demand are sorting up their stocks. With the greatly improved financial position of the prairie farmer, there is not any question but that a large proportion of the money which he has to spare for 1926 will go towards the improvement on his farm. In addition to this with the great increase in the mixed-farming project, the farmers are compelled to put up proper buildings in order to properly equip themselves to tackle the mixed-farming industry successfully. Then, again, a large number are intending to build new farm houses this year, and already inquiries are flowing in to the retail lumber dealers for plans, specifications for new farm houses and new barns. In making a brief survey of the retail lumber dealers operating in the three western provinces, there is hardly a case of where the retail lumber dealer does not expect a very marked improvement in 1926. It should be a banner building year in western Canada.

Canadian Business Indicators

INDUSTRIAL

	1926	1925
Car Loadings—		
Week Jan. 16	56,973	52,388+8.7%
Year to date	111,352	102,366+8.8%
Grain Receipts—		
Aug. 1 to Jan. 15	294,923,361	180,031,978+63.8%
Building—		
December	6,927,860	5,817,493+19.1%
Railway Earnings— 11 Months—		
C. P. R.	$163,537,460	$166,811,984—1.9%
Oper. Exp.	194,203,327	201,787,478—3.7%
Net	35,327,983	33,497,940+5.4%
C. N. R.	221,119,532	216,271,446+2.2%
Oper. Exp.	104,203,327	201,787,478—3.7%
Net	26,916,205	14,483,968+85.8%
Pig Iron Output—(tons)		
12 months	570,397	593,024—3.8%

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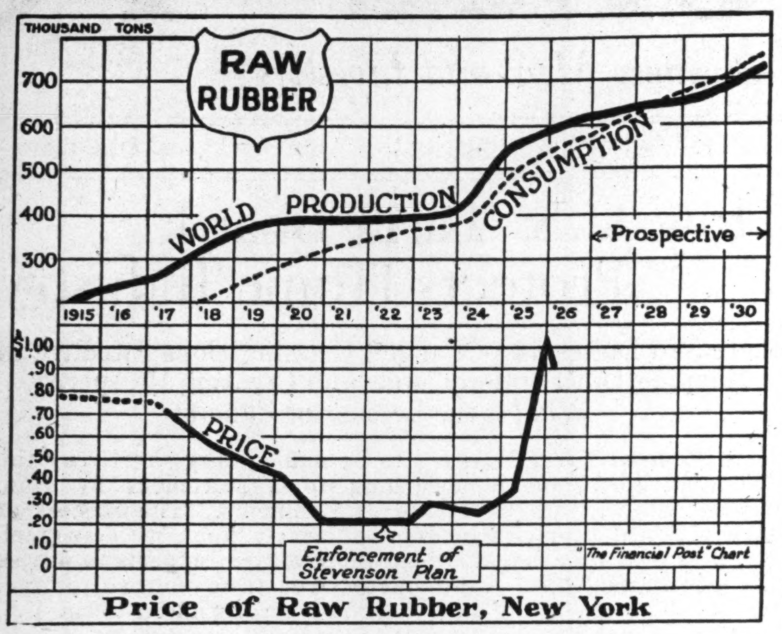
	1925	1924
Bank Clearings—		
December	$1,736,375,151	$1,893,831,086—8.3%
Savings Deposits—Chart. Banks—		
November	$1,298,831,228	$1,231,861,390+5.4%
Current Loans—By Banks—		
November	$909,977,043	$961,349,103—5.3%

COMMERCIAL

	1925	1924
Balance of Trade— 12 months, Dec. 31—		
Exports	$1,283,098,795	$1,070,611,616+19.8%
Imports	890,267,348	808,144,573+10.1%
Balance	392,831,447	262,467,043+49.6%
Wheat, No. 1 Nor., Winnipeg—		
	Jan. 25, $1.53	Jan. (Av.) $2.24
Cattle—(Good, Toronto)		
	Jan. 25, $8.50	Jan. (Av.) $6.83
Hogs—(Select, Toronto)		
	$13.00	(Jan. Av.) $11.17



Price of Raw Rubber, New York

Will Rubber Investigation Drive Prices Downward?

Probable Modification of Stevenson Plan Along With Supply and Demand Factors More Likely to Determine Trend

Is crude rubber due for a fall in price? This question assumed new importance last week when prices in the New York and London markets were depressed partly by an accumulation of stocks in both markets and partly as a result of rubber investigation in Washington. Almost simultaneously came the statement from Secretary Hoover that plantations such as that now being undertaken in Philippines and elsewhere would bring the necessary relief, and the belated explanation of the British Ambassador in Washington that the price was in no way discriminatory and there were no monopolies.

All explanations of the present rubber situation seem to go back to the fact that world consumption of crude rubber has surpassed production, due to the rapid increase in the use of the automobile. With one person in six using an automobile in the United States, and one in thirteen in Canada, the consumption of rubber tires has become enormous, and there is every indication that the consumption will expand at even a more rapid rate in the future. The following estimate has been made of the prospective output and use of rubber for the next few years:

(tons)	Estimated World Production	Consumption
1925	574,000	540,000
1926	606,000	575,000
1927	623,000	608,000
1928	633,000	641,000
1929	637,000	672,000
1930	641,000	703,000

This estimate will be modified, however, by the indicated output of rubber from American plantations. It is stated that the concern above mentioned, the American Motor Rubber Company, contemplates definite projects in Ceylon, the Dutch East Indies and the Philippines. The company is a $10,000,000 organization. Mr. Hoover indicated that another $50,000,000 organization proposed by tire manufacturers would enter the field as well.

Motor Car Created Demand

Largely as a result of the advent of the automobile, the world rubber crop has advanced from 61,000 tons in 1905 to 124,000 in 1914, 390,000 in 1919, 421,000 in 1924 and 574,000 last year. Imports into the United States have advanced from 17,000,000 pounds in 1880 to 736,000,000 in 1924. Of last year's importations, 472,000,000 pounds came from the British East Indies and 85,000,000 from Great Britain. Canada's imports of crude rubber during the last fiscal year amounted to 34,386,858 pounds against 28,877,244 the previous year. It is evident that Canadian rubber users were under the same disadvantage relatively as those in the United States. The assurance given by the British Ambassador this week dissipates any idea that may have still remained that the present situation is working any advantage to the British Government.

Few authorities in the trade will hazard a guess as to what the future trend of rubber prices will be. According to a statement made by Secretary Hoover this week, crude rubber supplies sufficient to meet about 75 per cent of the needs of the United States during the first six months of the current year are either already in the hands of the rubber goods manufacturers, or have been contracted for. The commodity has withstood several bearish attacks emanating from different quarters at different times, and there seems to be a general feeling that it will continue to do so. This will depend partially upon any action that may take place with regard to the Stevenson plan. It is rumored that this plan will be radically altered in the near future and that new schedules are to be introduced under which practically full production and exports are to be permitted when the price reaches a dollar a pound. Whether or not this is well founded there is a feeling that part of the cause of high prices in the past was a lack of foresight on the part of American buyers who allowed their stocks to become extremely low and then suddenly jumped into the market in a large way, thus forcing prices up. At any event it was pointed out by Ambassador Sir Esme Howard that although prices for crude rubber touched exceedingly high levels for a few months last year, the average price for the whole year was only about 73 cents per pound, and the average for the past five years was only about 32 or 33 cents. The prices of the past few months have been spectacular nevertheless. October importations into the United States averaged 66 cents per pound against 62 cents in September, 53 cents in August, 46 cents in July, and 24 cents for the calendar year 1924. And these figures of import prices, says a recent report of the National City Bank of New York, "must be understood as those paid for the rubber in the principal markets of the countries from which they are imported. When we realize that the countries now producing the rubber of the world lie on the opposite side of the globe, and the factories in which our rubber consumption occurs lie in the central part of the United States, it seems not unreasonable to assume that the cost at the factory of the rubber imported in October approximated $60,000,000 when we realize that the cost of the same material in the markets on the opposite side of the globe was over $50,000,000."

Prices paid by the Canadian rubber manufacturers are obviously governed by identical factors. What these prices will be during the next six months depends on the conditions discussed. The only factors likely to affect the situation immediately are a possible modification of the Stevenson plan, and any adjustment which may take place in supply and demand. Little is expected to result from bank rate manipulation, and the effects of new sources of supply will be some time in becoming operative, although ultimately they must be effective.

BUSINESS MORTALITY GRADUALLY DECLINES

Last Year's Failures and Liabilities Were Lowest of Any Year Since 1920

The number of failures in Canada last year and the liabilities involved were both smaller than for any year since 1920. The trend of failures cannot always be taken as a thoroughly accurate gauge of the direction of business in general, but it is a very important factor. The fact that there has been a steady decline in the commercial mortality rate since 1920 indicates that the marginal firms, or those who are just on the border between a profit and a loss, have largely been eliminated. This means a healthier business situation for the coming year.

The number of failures in 1925, according to Bradstreets, was 2,118, with liabilities of $35,910,587. The high point was in 1922 when there were 3,247 failures with liabilities of $56,379,887. At the same time the present mortality is still far above pre-war figures. Following is a statement of the failures and liabilities by years during the past decade:

	Number	Liabilities
1925	2,118	$35,910,587
1924	2,312	43,518,118
1923	2,961	54,568,727
1922	3,247	56,379,887
1921	2,395	51,064,079
1920	979	22,139,575
1919	626	10,120,232
1918	815	12,417,036
1917	1,110	13,661,301
1916	1,772	15,747,175

Both in number of failures and in liabilities involved, Quebec has led the other provinces during the past two years, the liabilities last year being almost double the Ontario figure. The failures and their liabilities, by provinces last year, were as follows:

	Number	Liabilities
Ontario	614	$ 9,757,677
Quebec	794	16,955,653
New Brunswick	49	712,206
Nova Scotia	93	1,129,664
Pr. Edward Island	5	28,345
Manitoba	215	3,280,591
Alberta	80	935,866
Saskatchewan	139	1,066,953
Br. Columbia	105	1,671,592
Total	2,094	$35,538,547

FARM PRODUCTS LEAD IN EXPORT BALANCE

Rise in Shipments Due to Farm Rather Than Business Recovery

The best calendar year in the history of Canadian exports, from a standpoint of values, has just closed with the largest month on record. With exports of $175,555,228, December figures exceeded those of November by $35,275,993, and those for the previous December, by $51,125,766, making a favorable balance for the month of $98,636,940. These figures helped to make the year an outstanding one with exports of $1,270,986,854 and a favorable balance of $392,831,447.

The excess of exports in 1925 over 1924, amounting to $212,928,956 was due to increases in agricultural and vegetable products of $116,932,988 of which wheat and wheat flour accounted for about $75,000,000, increases of $40,809,245 in animal products, and other smaller miscellaneous items. It is evident that the general improvement on the farm, including greater yields and better prices, has been generally responsible for the increased business. While this does not indicate any decided business improvement, it shows that there will be this addition to the amount of money available for spending, and should react favorably upon business to this extent.

Imports for December were $76,918,288 against $75,285,662 in November and $60,946,487 for the previous December. Total imports for the year were $890,267,348 against $808,144,573 for the previous year. Imports and exports for the past four months were as follows:

	Exports	Imports
Sept.	$108,497,911	$78,662,591
Oct.	143,548,112	80,799,757
Nov.	140,279,235	75,285,662
Dec.	175,555,228	76,918,288

BUILDERS LOOK FOR INCREASED ACTIVITY

Western Members of Construction Association Come to Convention Full of Optimism

That a prosperous year faces the building trades in Canada, and that the western representatives have come with an optimistic outlook for the first time in some years, were outstanding points brought out by John V. Gray, president of the Association of Building and Construction Industries in convention in Toronto this week. Mr. Gray stated that 1925 was an unsatisfactory year in many respects, but that the volume of money available for building purposes had accumulated and that the building program in many directions had fallen behind. For these reasons a good period is believed to be ahead, especially if Canada is fortunate enough to have another good crop.

One factor which has to be dealt with carefully, according to Mr. Gray, is the wage scale. He stated that wage scales in many lines are out of balance with prices and should be further liquidated. Although harmonious relations continued throughout the year, between employers and employees, it was intimated that the wage question might easily impede returning prosperity.

Standardization in the building products was another matter dealt with at considerable length. Mr. Gray referred to the work that is being done by Secretary Hoover's department at Washington, in reducing the thousands of diferent types and sizes of the same commodity or equipment, being manufactured by the different producers. It was pointed out that this reduction is very essential to the success of the building trades, reference being made to what has been done in the United States where 66 kinds of brick, used in 1913, were reduced to 5 kinds with a great saving to all concerned.

MANY TOURISTS OVER BANFF ROAD

CALGARY. — Over 91,000 tourists passed over the Banff road, at Banff, Alberta, the past season, according to figures made public by the superintendent of the Banff national park, which was an increase of about 30,000 over the previous season.

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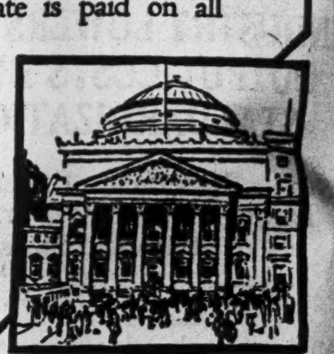

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NEW INDUSTRIES MAKING ALBERTA SELF SUFFICIENT

Many Small Factories Are Springing Up to Meet Local Demand

Further progress in the industrialization of the west is seen in milling and other manufacturing developments, especially in Alberta. There is a decided tendency for small manufacturing concerns to be called into being to meet local needs. In this way the prairies become more self sufficient and at the same time less dependent upon one industry, agriculture. Relative to this movement A. F. Andrews, retiring president of the *Alberta branch* of the Canadian Manufacturers' Association, said in part:

"At the beginning of the new year it is pleasant to review in retrospect the accomplishments of the year that has just passed out, and to take stock. On account of the fact, however, that a detailed report of the work done by the Alberta branch, C. M. A., was submitted at each of the annual branch meetings at Calgary, Medicine Hat, Lethbridge and Edmonton, during the month of December, in order that as many of our members as possible throughout the province would be kept posted, a departure is being made this year from the usual procedure.

"The following figures, showing the advancement of industry in the province during the past few years, is proof conclusive that as manufacturers we have much to be thankful for, although even greater advancement would have resulted especially in recent years, had Canadian industries received more consideration in the matter of protection at the hands of our own government at Ottawa:

Value of products—1910, $18,788,825; 1915, $29,416,221; 1923, $54,337,801.

Salaries and wages—1910, $4,365,661; 1915, $4,791,281; 1923, $10.633.705.

"The 1923 report of the Dominion bureau of statistics, which is the last published, shows that there is over sixty-one million dollars invested in manufacturing in the province of Alberta.

Varied Development

"The above figures should forever dispel the impression that the development of Alberta has been solely agricultural. Not only has the industrial and commercial developments of the province, in the past few years especially, been as remarkable as the agricultural development, but also the industrial and commercial future of the province is quite as bright as their agricultural future, given proper opportunities for expansion. The building up of such industries as the Canadian Sugar Factories at Raymond, the Imperial Oil Refineries, and Spillers Canadian Milling Company, Calgary; the Alberta Salt Company plant at Fort McMurray, and other smaller industries throughout the province, is evidence enough of our industrial expansion despite the ofttimes inadequate protection afforded some of our industries.

"The Canadian Manufacturers' Association, together with other organizations, is at present working strenuously to get a freight rate on our coal to Ontario, that will bring about in the not distant future the use of Alberta coal in Ontario.

"New markets are being found in the Orient for our wheat, flour, butter and cheese, and these will be extended.

"With an aggressive immigration policy in force, there can be no doubt that Alberta in the near future is destined for a more rapid and more prosperous industrial and commercial development than heretofore.

The Future of the West

"Canada as a whole is not producing at anything like the rate per capita that the United States is producing.

"I feel certain, however, that the time cannot be long delayed when the people of Western Canada, whether farmers, employers or workers, will cease to advocate policies which will tend to keep our country a mere exporter of raw products to the industrial centres of the world, and will realize that the policy of building up and patronizing home industries is a consumers' policy even more than it is a manufacturers' policy.

"Those who are familiar with the industrial history of the United States realize that the development of their home industry has been the means of placing that country in the forefront of the industrial nations of the world, and must be a means by which Canada will raise, as I believe she will before long, from the position of the eighth industrial nation of the world to a place among the leaders."

CUTTING OF AUTO PRICES IS GENERAL

One Large Maker Announces Second Reduction Within Month

While it can hardly be said that there is an automobile price war on, the fact that one of the largest manufacturers of medium priced cars has made a second substantial price cut within a month, would indicate that competition among the manufacturers is becoming keener than ever.

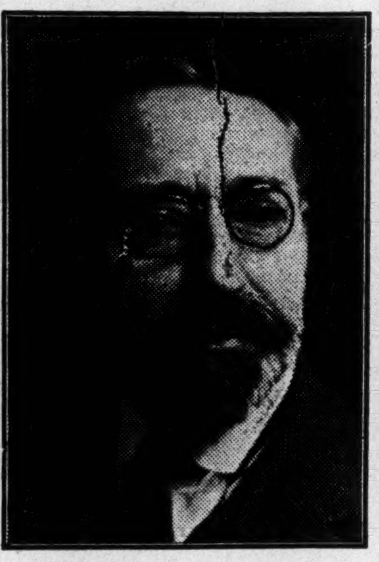
Price cuts have been fairly general in all lines. In the medium priced "fours" prices of two or three makes ranged quite close. One made a cut and the others followed quickly and No. 1 has now made its second price reduction. It is just possible that others will fall in line.

In low priced sixes competition is said to be even keener. There have been some new makes come on the market at prices which threaten to rob others of their popularity. The medium sixes have practically stood still while the more costly have made reductions. This would seem to presage cuts by the medium six models.

Car manufacturers are talking of the biggest year in the history of the industry and evidence is not lacking that the individual makers are out to gather in just as big a share of business as they can. High class salesmanship is going to be necessary, said one dealer, and to this end he was securing the best men in the business for his staff.

Former Banker Heads Toronto Board of Trade

GEORGE WILSON, the newly-elected president of the Toronto Board of Trade, has for many years been a prominent figure in banking circles in Canada. He was born in Sussex County, England, and educated at Conway Col-) lege—Military—North Wales, coming to Canada in 1885. For more than twenty years he saw service with the Imperial Bank of Canada, and in 1911 joined the Union Bank of Canada as manager of the Toronto branch. He was first agent in New York for the Union, 1917 to 1919, during which period he visited Japan, China, the Philippines, Malay States and



Java, in connection with the Park-Union Foreign Banking Corporation. He was appointed assistant general manager of the Union Bank, with headquarters in Toronto, in 1919, retiring from active banking work when the recent merger of the Union Bank with the Royal Bank took place. He was elected to the council of the Toronto Board of Trade in 1921 and served as a member of the council until 1924, when he was elected first vice-president, which office he retained for 1924 and 1925, and from which he now steps to the presidency.

FARMERS JOIN IN PROMOTING USE OF CANADIAN GOODS

Co-operate With Manufacturers in Promoting Use of Home Products

The enthusiastic co-operation between representatives of a wide range of organizations, chiefly farmers and manufacturers, was the outstanding feature of the recent conference held in Toronto to promote the use of produced-in-Canada goods. That there is a feeling prevalent in Canada that imported goods are likely to be superior to Canadian made goods, and that this is one of the handicaps the industries are facing, was one of the points stressed at the meeting. It was pointed out that we have, or have access to, the best raw materials available as well as the most improved processes, but there exists a sort of childish respect for goods from abroad that it is difficult for Canadians to grow out of.

The means by which the program of the organization is to be carried on, as outlined by Col. Chas. E. MacCullough of Hamilton, includes co-operation with educational authorities, the holding of public meetings led my informed speakers, the donation of prizes for essays on the advantages of Canadian products, the encouragement of exhibitions of home made goods and similar methods. It was unanimously agreed by those present that the need was largely for education—to get the consumer to realize what it would mean to the country to have Canadian goods accorded the appreciation they deserve. The reverse is not due to any definite attempt to disparage our products or to keep the volume of production lower and cause unemployment. This is the actual result, but it is due to lack of thought on the part of buyers rather than to any definite policy.

While there are those who try to show that the interests of the farmer and the manufacturer are in opposition, the healthiest sign in connection with the whole movement, as already intimated, is the fact that the representatives of the United Farmers of Ontario and other farm organizations are in wholehearted accord with the manufacturers in the realization that if Canada is to prosper each group of producers must co-operate with the others by using their products, whether raw materials or finished articles. If this is done, the entire community will benefit. It was emphasized at the same time, that foreign competition tends to keep up the standard of the home made product and that care would have to be taken that the high standard was retained without this incentive.

The officers of the committee include Col. C. R. MacCullough, Hamilton, president; Robert Miller, Stouffville, vice-chairman, and O. C. Pease, Bank of Hamilton Bldg., Toronto, secretary.

Small Car Has Points In Regard to Traffic

Like all other large volume automobile manufacturers, Charles W. Nash, president of the Nash Motors Co., has devoted serious thought to traffic congestion. He sees one interesting tendency: namely, a wider demand for medium and small cars and a diminishing demand for very large cars. He says, in Forbes Magazine:

"The great advantage of the smaller car is its easy handling and ability to turn in comparatively small space. I believe that the old type of extra luxurious, long wheel-base car will be virtually eliminated. The time is soon coming, I believe, when we will see on the roads scarcely any cars exceeding a chassis wheel base of 125 inches, and the majority of cars in use, I predict, will be 110 inches or less."

Why Not a One Price Standard in the Real Estate Business?

Present System is For Buyer and Seller to Haggle Over the Transaction Until They Make a Trade—Publicity as to True Prices Would Help

(Written for The Financial Post by the Investment Supervisor of the Big Life Insurance Companies)

In the course of business from day to day we hear that the real estate market is quiet, very quiet, and this has been attributed largely to the number of new buildings which have been erected in recent years, the contention being that the city is becoming overbuilt. This is a situation which is worth looking into.

The point has been made that the time has passed when houses have been sold while still in course of construction, or shortly after completion, and that in consequence the demand for houses has reached so low a point that no more should be built until this situation is again created. This view is hardly sound, as it was an abnormal condition of affairs to have buyers falling over each other to get houses, a condition due to the lack of building during the War, and the resulting actual scarcity of houses: a situation not likely to be repeated during the lives of those living today. Apparently the present situation is a more normal one and for this reason worthy of study.

The writer has a feeling that the business of selling property is a matter of merchandising, similar to other classes of properties or goods, and that one of the first essentials is a knowledge on the part of the purchaser that he or she will obtain fair value for the money. Judging from the endless negotiation so common in a real estate transaction, the matter of selling or buying a house is like an old fashioned horse trade or the well known Oriental method of merchandising, which is to start at a high figure and gradually work down to a point where the buyer or seller either gets exhausted and submits or gets annoyed and quits. It is hardly as scientific a transaction as it should be, and suggests the necessity of a knife and a piece of wood to whittle as primary equipment to a deal. If any other kind of merchandising was done in this way business all round would be very much less active. People would only buy when they were actually forced to.

It is surely a case of educating the public and giving the purchaser some real facts to work on. No one likes to purchase a house and then find that the people next door got a similar house for $500 or $1,000 less. That purchaser becomes a real estate owner with a feeling of resentment created right at the start. The fear of just such an experience is bound to be prevalent at a time such as this when prices are said to be coming down. The natural tendency of a prospective buyer is to wait and see. Now in building a house, as in any other business, there are two factors, namely the cost and the profit. Naturally houses will not be built if there is no profit for the builder, and nobody therefore should expect to buy a house at cost. It should be possible for realtors and builders to educate the public by submitting to them figures of average costs and profits, based on honesty and efficiency. If this could be done, it might be surprising how active the buying and selling of houses might be under just ordinary conditions.

It would seem elementary that greater publicity covering building costs and values would do a great deal towards improving the market for buildings and real estate. This is a matter which might be put forward for the consideration of the newspapers and also real estate men. All businesses are subject at times to fluctuations in prices owing to the operation of supply and demand, but in most businesses it is possible to obtain accurate information regarding prices so that when they reach a certain level the buying power automatically revives. In real estate there is not a source of reliable information readily available to the general public and buyers and sellers are kept more or less guessing. Some newspapers endeavor to do what they can for the information of the public by publishing lists of sales, but as the consideration in the deeds is not always given at the actual sale figures these figures, as given, are not all that are required. There seems to be an opening for co-operation work between builders, public and real estate men for the extension of information which would give the general public something to work on. By the publishing of actual sales a builder or owner of a grasping turn of mind, might not in some transactions make an extra $500 or $1,000 out of a poorly informed buyer, but to those engaged in the business as a lifework far more would be gained by acceleration on making sales and stabilization of values.

As a matter of fact, under the system of registration an affidavit is required for taxation purposes which calls for the actual consideration in the sale, but whether any investigation by the authorities, into the facts is ever made, and penalties imposed where misleading figures have been given, is not clear. It would appear, however, that the law provides a source for the obtaining of information which would create the knowledge so apparently desirable to stimulate transactions in property, and that if real estate men, builders and owners are anxious to have business expand on the basis of a real knowledge of sale values by the public, all that is required is some form of co-operation to see that the law is complied with and that proper publicity of the figures is available to the ordinary citizen, who is of course the most concerned of all.

The publication of real facts cannot certainly do business any harm, even if it does give the neighbors a little bit of extra gossip.

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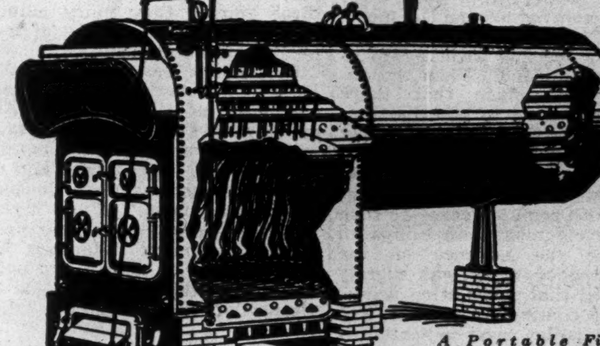
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The Securities Markets

CANADIAN STOCKS CONTINUE MOVE TO HIGHER LEVELS

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Market Indicator
20 Industrial Stocks

	High	Low
Week of Jan. 27	89.0	86.4
Week of Jan. 20	88.7	85.6
Mth. of Jan., 1925	74.3	68.9

The comparatively slow but generally well-supported advance of the stocks on the Canadian exchanges is being continued. With the outlook indicating further moderate improvement in business, and with the reports from the banks showing an increase rather than a reduction in the available supply of funds, the prospects would seem to be for higher prices, despite the fact that the levels already attained are such as to indicate that the hopeful future is now being discounted and conservative investors are changing from common stocks to the more seasoned, dividend paying preferred. The forward movement of Canadian stocks has been continued in the face of hesitation in Wall Street. While it is contended that this is quite as it should be, because Canadian stocks have not yet been carried to the level of American in relation to prevailing conditions and business has not been boomed here as on the other side of the line, it is nevertheless realized that any general break in prices of United States stocks would have its effect on the Canadian markets.

Events in Wall Street this week have largely centred around the meeting of the United States Steel directors and their decision with regard to the quarterly dividend. When the announcement was made that there would be no change in the distribution at this time there was an effort made to drive down the price of the stock. This was met with stiff resistance, however, and the bulls endeavored—with some success—to turn this bear development into campaign material for the advance on the ground that good news was merely postponed and that speculation would, therefore, be continued, whereas, had the dividend policy been indicated, it would have been regarded as the culmination of the company's prosperity to be followed by general realizing sales. Alarm regarding the action of the Federal Reserve Board in asking for information regarding brokers' loans appears to have passed. At the moment opinion seems to be divided as to whether there will now be a general but not serious reaction to be followed by a renewal of the advance later in the year, whether the market is already in the first stages of the major turn downard or whether there will be an immediate resumption of the advance to be followed by the culmination of the bull movement at a comparatively early date. In any event there appears to be a growing appreciation that the market is already at a high level and that a great deal of very favorable news has probably been already discounted.

The Canadian Advance

While none of the various groups on the Canadian exchanges showed a majority of losses as compared with gains for the week, the banks, papers and the general industrials make the best showings relatively. Following is a summary of changes:

	Gains	Loss	Unch.	Ttl.
Banks	5	1	3	9
Paper	8	4	2	14
Steel	4	4	7	15
Foodstuffs	11	11	4	26
Utilities	8	8	3	19
Tractions	4	3	2	9
Textiles	3	2	2	7
Industrials	16	7	5	28
	59	40	28	127

Dominion Bank made the greatest gain in the bank group, being up 4½ points, but good gains were also made by Imperial and Royal, and Nova Scotia and Standard were also strong.

In the papers, Abitibi common was an outstanding performer on revival of merger talk, although the preferred was inclined to sell off. Spanish common also made a good gain. Laurentide gained more than three points and Howard Smith and Wayagamack about the same amount. Belgo and Brompton also gave a good account of themselves. Price Bros. common was about the only member of the group showing a disposition to sell off to any extent.

The steel group was rather inactive and gains and losses were about evenly divided, with a number of stocks showing no change. Steel of Canada, which is usually regarded as a barometer in this group, sold off about a point and this no doubt put a damper on the whole list. Then there was much uncertainty displayed in the steel stocks in the United States and this no doubt communicated itself to the Canadian markets. The changes were generally of only fractional proportions.

In the milling and foodstuffs group gains and losses were evenly divided. There was no evidence of a general trend and most of the changes were of small proportions. Western Grocers preferred was less popular and lost a couple of points. Shredded Wheat sold at 195 on the announcement of a split in the shares. Lake of the Woods made a gain of three points and St. Lawrence Flour was in better demand, but Ogilvie sold off fractionally. Maple Leaf Milling was active with a considerable range in prices, selling up to 88 and then reacting. B. C. Fishing was easier and Canada Bread stronger. Canadian Salt was in good demand and gained three points. City Dairy gained 2½ points on the publication of a favorable annual statement.

Consumers' Gas and Montreal Light, Heat and Power again provided leadership in the utilities group with good gains, while Bell Telephone was strong on the announcement of its case for higher rates. Shawinigan and Quebec Power also sold at higher levels. Brazilian Traction sold to new high levels on the generally favorable prospects of the company. Winnipeg Electric made a gain of nearly two points on the recognition of the value of the shares of the subsidiary, Manitoba Power.

In the general group, Pacific Burt was a special feature, selling up nearly 10 points. American Salesbook also scored a gain. Asbestos common was easy and sold off. Canada Cement, both preferred and common, was in demand and prices moved up. Dominion Glass scored a substantial recovery from the slump which followed the publication of the annual report. Eastern Theaters provided a bright spot amongst the lower priced stocks, scoring a gain of 6 points.

Quebec Apartments' Rentals Exceed 50%

From Our Own Correspondent.

MONTREAL.—Construction work on the Chateau St. Louis, Quebec, is well advanced; the outer walls and inner partitions have been completed and plastering started. The apartments will be ready for occupancy before May 1.

Over 50 per cent. of the apartments have already been rented, and the revenues from these alone are within $700 of meeting the bond interest and administration charges.

There is every indication that all the remaining apartments will be rented prior to May 1.

Canadian Oil to Pay First Dividend on Common

Directors of Canadian Oil Companies Ltd., have declared an initial dividend of 1¼ per cent. for the common. Such an announcement had been discounted by the advance in the price of the stock during the past several weeks. The shares were called for trading in September last and came on the market at 54. The price advanced rapidly to 58 and remained steady at around that price until about two months ago. An extreme high point was reached at 74.

This concern occupies a strong position financially. Its preferred shares have had a continuous dividend record since the organization of the company in 1908 at the rate of 8 per cent. per annum. The company is associated with National Petroleum of Cleveland. It was intimated that an increase in the dividend rate would probably be made if the company continues to enjoy prosperity comparable with that of 1925.

STERLING APPRAISAL REPORTS
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Food Products

CITY DAIRY HAS ANOTHER YEAR OF HEALTHY GROWTH

Company is Keeping Pace With All Developments in Its Field

The continued success of one of Toronto's very efficient and well managed public service companies, City Dairy, is indicated in the annual report for 1925 showing net profits of $274,330 as compared with $248,456 in the previous year. The company was able to add very substantially to its surplus, which now amounts to more than $450,000, and this, with a reserve of $48,000, may be considered in relation to the common stock outstanding, $565,000, and preferred stock of $700,000. Following are comparative figures:

Profit and Loss

	1925	1924
Net profit	$274,330	$248,456
Other Income	....	37,206
	$274,330	$285,662
Preferred dividends	49,000	49,000
Common dividends	67,800	64,975
Adj. dep. res. 1922	......	28,379
	$157,530	$143,308
Bal. forward	292,621	149,313
Surplus	$450,151	$292,621

Total assets are shown at $2,140,871, of which investments represent $1,052,571 and real estate, buildings, plant and equipment $852,953. Accounts payable are shown at $343,477 against $354,912 at the end of last year, while cash on hand has increased from $74.789 to $85,682, and accounts receivable have declined from $96,501 to $88,649. Inventories are $58,405 compared with $65,666.

Big Investments

No particulars of the investment totalling $1,052,571 are given. Last year there were three items under this head in the balance sheet, namely, Dominion bonds and interest $379,065, Province of Ontario bonds and interest $125,565 and shares in subsidiary companies and other securities $239,510.

In their reports for the directors, S. J. Moore, chairman of the board, and W. J. Northgrave, president, state that the company's products continue to enjoy increasing favor with sales for 1925 exceeding those of any previous year. The company continues to keep abreast of the times by promptly adding to its facilities any improved equipment that is developed for the scientific handling of milk. All plants in the city and at country points are in excellent condition, well equipped, and operated by organizations thoroughly experienced in the manufacture and distribution of high class dairy products. At the City Dairy farms, New Lowell, Ont., there has recently been completed the largest barn in the Dominion of Canada, and is fully occupied by an enlarged Guernsey herd.

City Dairy Expected to Distribute Assets Soon

The belief is expressed by Bongard & Co., that a distribution of surplus assets by City Dairy Limited will not be much longer delayed. "Action in this direction was held up pending the outcome of the recent investigation by the City of Toronto into the price of milk but now that, after a thorough inquiry, no evidence was found that excessive prices were being charged and the company was given a clean bill of health in that regard, it is understood that some action will be taken," says the Bongard January letter. It is known that this company, largely through profitable operation of certain subsidiaries, has been doing exceedingly well of late and the 1925 statement, when issued, should show substantial profits, running possibly as high as $21.50 per share. This would produce a large surplus which, added to previous surpluses, would give a considerable reserve from which to draw for either stock or cash distribution.

Windsor Salt Co. to Expand and Consolidate

According to reports from Windsor and Sandwich, the Canadian Salt Company plans to consolidate its plants and erect additions to existing facilities in one or other of the municipalities calling for an expenditure of approximately $5,000,000. The Windsor Star quotes George M. Duck, general manager of the company, as stating that improvements are planned, but that their extent has not yet been definitely decided. At a meeting of the Sandwich town council it was stated that inducements had been extended to the company by the City of Windsor to secure the whole plant for Windsor if possible. It was suggested that the industrial committee of Sandwich should make representations to induce the company to build its plant addition there.

SHREDDED WHEAT SHARES ARE SPLIT

Stock Has Gained Nearly Thirty Points Since Beginning of Year

Shredded Wheat shares have appreciated several points since the announcement made in New York this week that the expected stock adjustment had been decided upon. According to the plan announced, four shares of the new stock will be given for each share of the old now held. On the announcement the stock rose a point to 195, which price represents a gain of twenty points since the first of the year. With the further announcement that the company has declared a dividend of 2½ per cent. payable March 31, the stock advanced to a new high for all time of 198⅛.

Whether or not it was the aim of those responsible for the new stock plan to give the shares a wider market, this will probably be the effect. The business of the company has been very successful, having expanded widely both in Canada and the United States, and in Great Britain as well. In addition to the well-known factory at Niagara Falls, N.Y., there is a plant at Niagara Falls, Ont., and another at Oakland, Cal. The inauguration of a European plant, in the environs of London, was recently announced to look after the ever increasing business on the continent.

The high and low quotations of Shredded Wheat shares during the past four months were as follows:

(1925)	H	L
Sept.	153	150
Oct.	168	152
Nov.	164	161
Dec.	171	165
Jan. (to date)	198	170

Sugar Refineries Keep Up Production Record

From Our Own Correspondent.

MONTREAL.—Figures on the manufacture and export of sugar covering the four weeks' period ending December 31, 1925, give every indication that the Canadian sugar refineries are doing a good business. There was manufactured in Canada during this four weeks' period 72,305,240 pounds of sugar, as compared with 53,680,939 pounds in the corresponding period of 1924. Exports during the month of December amounted to 16,749,500 pounds, as compared with only 465,400 pounds in December, 1924.

Milling Stocks Making Few Substantial Gains

In addition to the substantial rise in the price of Shredded Wheat shares, a number of the milling group showed further gains, although there is no appreciable change in the flour market situation. A further rise in the shares of St. Lawrence common to a high of 44 would seem to indicate that there may be something in the merger rumors, since there is no evident explanation of the rise from the commodity standpoint.

Lake of the Woods common has also showed continued strength, having gained more than three points during the week, touching 175. The earnings of this company have been very satisfactory since the beginning of the present fiscal year.

Ogilvie has made a more important gain than any of the flour-milling stocks. The shares were 175 at the opening of the year. Having risen as high as 194, it has receded somewhat to around 187. There is no apparent cause other than satisfactory business, especially in the foreign markets.

A rise of two or three points has taken place in International Milling.

Pacific Burt Common Makes Further Advance

The rise of Pacific Burt common to 102 evidently reflects the fact that the company is participating in the business prosperity being generally enjoyed in the United States. This stock pays a 6 per cent. dividend and earned $15.57 a share after depreciation in 1924, compared with $15.95 the previous year, and $22.78 three years ago. The annual report for the year 1925 is due to appear in March and can be expected to make a good showing.

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co., for the period Jan. 8 to Jan. 14, inclusive, totalled 8,045 tons.

February Dividend Payments

Bond Interest	9,144,531
Dividends	$4,214,863
	$13,359,394

BOND INTEREST DUE IN FEBRUARY

Company	Rate	Due	Amount
Abitibi Power	6	1933	$79,395
Atlantic Underwear	6½	1944	3,250
Canada Bread	6	1941	31,932
Canada Foundries	6	1942	6,717
Can. Steamships	5	1943	121,342
Can. Nat. Rlys.	5	1954	1,250,000
Duluth S. Shore	4	1990	302,140
Famous Players	6½	1943	31,200
Harris Abattoir	6	1928	14,814
Holt Renfrew	6½	1937	18,848
Interlake Tissue	6	1935	9,120
Lyall Construction	6	1932	18,507
Maple Leaf Mill	6½	1943	63,375
National Grocers	6½	1932	65,000
Monterey Railway	5	1962	74,912
Ottawa & Hull Pr.	6	1948	75,000
Price Bros.	6	1943	300,000
Rogers, Wm. A.	6	Ser.	10,350
St. Maur. Power	6½	1953	293,364
Suburban Rapid Trans.	5	1938	12,500
Wamsley, Chas.	6	1943	30,000
Wayagamack	6	1951	132,765

Corp. Bonds	$2,944,521
Municipal	x3,400,000
Provincial	x2,800,000
	$9,144,531

xThis figure is determined by dividing by twelve the estimated total interest payable during the year on these issues.

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Amer. Salesbook, pref.	1¾q	1	$53,782
Can. Cement, pref.	1¾q	15	183,750
Can. Converters	1¾q	16	30,335
Canadian Oil, com.	1¼q	15	20,000
Cedar Rapids	¾q	16	66,750
Chase, A. W., pref.	2q	10	16,000
Christie Brown, pref.	1¾q	1	17,500
Cosgrave Brewery	1¾q	15	17,500
Dominion Bridge	1q	15	65,000
Hollinger Mines	1.6m	25	287,000
Imperial Bank	3q	1	210,000
Inter. Nickel, pref.	1½q	1	133,689
Kaministiquia Power	2q	15	49,940
Loew's, Buffalo, pref.	2q	1	26,720
Montreal Power	2q	15	376,000
Montreal Power Cons.	2q	16	1,293,158
Montreal Tramways	2½q	1	100,000
Montreal W. & Pr. com.	75cq	15	33,600
Mortgage Corp. of N.S.	1½q	1	10,384
National Brick, pref.	1¾q	15	58,443
Northern Mex. P'r., pref.	7y	1	210,000
Ont. Steel, com.	1q	15	7,500
Do., pref.	1¾q	15	13,125
Penman's, com.	2q	16	43,012
Do., pref.	1½q	1	16,125
Pressed Metals, pfd.	2q	20	4,260
Russell Motor, pref.	1¾q	1	21,000
Standard Bank	3q	1	144,702
St. Law. Flour, pref.	1¾q	1	10,062
Steel of Can., com.	1¾q	1	201,250
Do., pref.	1¾q	1	113,684
Teck Hughes	5c	1	226,005
Western Trust	2s	2	20,100
Weyburn Security Bank	2½s	15	13,112
Win'p'g. Elec., com.	1q	15	110,000
Wood, Alex. & James, pref.	1¾q	1	11,375
			$4,214,863

q—Quarterly.
s—Half-yearly.
m—Monthly.
y—Yearly.

Public Utilities

TWIN CITY DID EARN DIVIDENDS FOR THE COMMON

Showing Was Only $3.76 Per Share—Better Outlook for Current Year

That the earnings of the Twin City Rapid Transit Company for 1925 were not sufficient to cover the preferred and common dividends paid is shown by the annual report now issued. The net income of the company and its subsidiaries was $1,037,427 after charges and taxes, equivalent after preferred dividends to $3.76 a share earned on $22,000,000 common stock. This compares with $1,269,009 or $4.81 a share in 1924.

Consolidated income account for 1925 compares as follows:

	1925	1924
Gross revenue	$12,378,532	$12,704,569
Net aft. tax	1,853,125	2,252,659
Other inc.	184,632	101,062
Total income	$ 2,037,757	$ 2,353,721
Int., etc.	1,000,330	1,084,712
Net income	$ 1,037,427	$ 1,269,009
Pfd. dividends	210,000	210,000
Com. dividends	880,000	880,000
Deficit	$52,573	x$179,009

xSurplus.

Horace Lowry, president, in his report states that the Railway and Warehouse Commission of Minnesota filed this order on July 3, fixing the fair value of the properties of the company, the rate of return thereon, and the fare to be collected on the cars at 8c. cash. A drawback to this arrangement was that the company was required to sell 10 tickets for 60c. This was regarded as unsatisfactory by all parties concerned. The municipality appealed to the courts against the valuation of the properties, the rate of return and the rate of fares. A period of lengthy and costly litigation was avoided by a settlement being reached between the company and the municipalities. Under the terms of this settlement the campanies in the city agreed to accept the valuation of the Commission and a 7½ per cent. rate of return on the valuation.

New Fares Now Effective

The company proceeded to operate on Jan. 1 on an 8c. cash fare or 6 tickets for 40c., bringing an average rate of fare of 6.77 per revenue passenger. The order of the Commission has been appealed, and the company has commenced to operate under the new plan pending the outcome of the appeal case. Mr. Lowry states that Twin City management is engaged in working out economies that will permit the same rate of fare to be charged in St. Paul as in Minneapolis. He refers to the problem of motor bus competition, which became so serious that the directors thought it advisable to purchase the Twin City Motor Bus Company assets. This bus company paid dividends during the year aggregating 10 per cent. on the cost of the property after all operating charges and depreciation. All of this stock, except directors' qualifying shares is held by Twin City Rapid Transit. The larger of the two competitive bus lines operating between Minneapolis and St. Paul was purchased by the Twin City Motor Bus Co. during December, 1925, at a cost of $285,000. The money necessary for this purpose will be secured from the sale of additional capital stock of the motor and bus company of Twin City Rapid Transit.

It is proposed to complete arrangements for the purchase of the third and last competing bus line before the close of this week. When this is done all transportation in Twin City, except taxicabs and highway automobiles, will be operated through the subsidiaries of the Twin City Rapid Transit. An agreement has been made between the subsidiaries whereby earnings of the bus company in excess of a return of 7½ per cent. on the cash investment will be paid to the railway company. Any such payment to the subsidiary street railway companies will increase their net earnings by that amount.

Canadian Light and Power Reorganization Sanctioned

The bondholders of the Canadian Light and Power Company met this week in connection with a reorganization plan of the company. Under the plan suggested the new company will have a capital of 3,325,000 shares of common stock and provision is made for a bond issue of $3,300,000 5 per cents.

Under the reorganization plan, the bondholders are to receive 60 per cent. of their holdings in the new 5 per cent. bonds, which are dated January 1, 1926, due 1949. Forty per cent. of their holdings they will receive in common stock of the new company. There will be an additional 4 per cent. in common to compensate for lack of interest during the past year.

The distribution of the new common will include also the settlement of the claims of other creditors. The latter will receive 525,000 shares on the basis of 50 per cent. of value. This settlement has been agreed upon by the creditors concerned. The revenue of the new company will be obtained through contracts with the Montreal Power Company. It is estimated that revenue will total some $320,000, of which $165,000 will be required for bond interest. Sinking fund requirements are $33,000, administration charges approximately $100,000, and it is expected that earnings on common will be 3 per cent.

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Brazilian Being Bought for Investment Account

Absorption of Brazilian common for investment account has been responsible for new high price records for the current movement. The feeling is that the increase in the rate to 5 per cent. will be followed by another increase before many months. Of course, at present levels the future is being discounted, but everything seems to justify the optimism.

BEAR RIVER SALE

MONTREAL. — The property of the Bear River Pulp Company [illegible] to the auction block on February 10. The plant was only in operation for a few weeks during 1925.

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Iron and Steel

RED LEADERS ARE BEING DROPPED IN CAPE BRETON

Union Miners Now Giving Their Support to Moderates

From Our Own Correspondent.

SYDNEY.—For the first time in many years, prospects for a lasting settlement of Nova Scotia wage troubles are bright, at least so far as the U. M. W. side of the matter is concerned. Events of the last few days point to almost unanimous acceptance by the miners of the Duncan *report with* the wage rates suggested *therein*. The local meetings which chose the delegates for the present district convention here, have been marked by the defeat of many Red candidates and the election in their stead of men known for their moderate views and desire to restore peace and prosperity to the coal industry of Nova Scotia.

Mechanics local, the largest in Glace Bay, for instance, defeated three Red leaders and named men of pronounced moderate views. At Caledonia, Robert Baxter, former district president and long one of the stabilizing forces of the organization, who has been under an eclipse for years, came back strong and was elected to the convention where he will no doubt play an important part.

Way is Being Smoothed

It is expected the Duncan report will be accepted and the way paved for the negotiations for a new wage contract which will open with Besco officials here on February 1. There may be some minor compromises, but the expectation now is that the men will propose a settlement practically along the lines of the report.

What Besco will reply to that is problematical, but it is generally expected that the corporation will acquiesce in any such proposal because public opinion in the province is now so strong that any prolonged dispute over wages this spring will not be tolerated.

There is a general expectation that if the parties can get together on approximately the terms of the Duncan report as to wages and other particulars, a long term settlement will be reached without much difficulty.

Such a proposal involves the miners taking a slight wage reduction from interim rates to conform to the "10 per cent. off 1924 level" recommended in the Duncan report and also the abolition of the check-off. Or the parties might compromise on the wage reduction and let the check-off stand. It is, of course, not impossible that they may stall and manoeuvre as *before*. *If* they do, the Rhodes Government may take a hand and in this they will have the support of the general public who are tired of the eternal squabbling in the Cape Breton coalfields and now have the Duncan report as a yardstick by which to measure the claims and actions of the disputants.

On the whole the prospect is for a quick and amicable settlement of the wage question. Even if it is settled, there still remains the question of a market. The C.N.R. order has been accepted and will keep certain pits going for a few weeks, but unless there is general improvement in the demand for coal, work will not be available at any rate of pay.

Distress is being alleviated somewhat among the union men by civic and municipal grants, but these cannot continue indefinitely because some of the county districts are practically unable longer to pay taxes. But no community has yet accepted the provincial government's offer to guarantee town bonds for relief purposes.

Provincial cabinet ministers have been invited to appear before the county councils, now in session, to discuss the relief matters, but have declined, saying that the bond guarantee is as far as they care to go.

Besco is Progressing

Meanwhile Besco makes some progress in other directions. A new $30,000 steel bankhead is to be started at No. 2 mine on February 10, which will force the closing down of that big producer for 60 days or so.

At Sydney, its new iron foundry, replacing a wooden structure burned last year, has drawn its first heat and made its first castings and the tests have been most successful.

Besco has temporarily suspended the check-off in the cases of all men working about two days a week. Hitherto 'off-taxes' for church, store, union dues, doctor, etc., have been a first charge upon the miners' wages, but under the new ruling these claims are suspended in favor of what money the men do get being used for the actual support of their wives and families.

Pressed Metals Has Resumed Its Dividends

Directors of the Pressed Metals Company of Canada, at a meeting at Marysville, Mich., declared a dividend of two per cent. on the preferred stock of the company, to apply for the current quarter. Shareholders have not received any return on their investment in Pressed Metals preferred since December 1, 1920. As the stock is cumulative and the authorized rate is 8 per cent. per annum, the arrears now amount to more than 30 per cent.

This dividend confirms earlier reports of the improving prospects of the company. It is understood that the company has closed important contracts with large automobile concerns for bushings, which is the company's special product, and it is understood, too, that the forthcoming annual report will disclose a handsome increase in earnings over the previous year, when an operating loss of $50,672 was shown. The common stock appears intermittently on the Toronto curb, and in 1925 sold from a low of 15 and high of 45, the latter price recorded in November last. The capitalization comprises $250,000 8 per cent. cumulative preferred authorized and $213,000 outstanding, and $2,250,000 common, with $2,213,100 paid up, each class of stock of $100 par.

ENGINEERING CO. TO MAKE ASSESSMENT

Reorganization Provides for $2 Call on Shareholders—May Sell More Stock

From Our Own Correspondent.

MONTREAL.—The shareholders of the Eastern Engineering Co. will meet on February 11 to consider a plan of reorganization for the company. The plan calls for the incorporation of a new company which will purchase the assets of the present organization and each shareholder, who pays to the new company $2 for every share of his present holdings, will receive one share in the new company. Shareholders who do not desire to make the further payment will receive one share in the new company for every five shares held in the old.

The cash on hand and the amounts which the present company will realize from the disposal of its current assets are sufficient to meet its liabilities, other than an amount of $42,500, representing loans made to the company by certain of the directors. These directors have agreed to take shares in the new company at the price of $2.50 per share, in settlement of their claims. The total funds paid into the new company by the shareholders will be available in cash for the future requirements.

The new company will have an authorized capital of 125,000 shares with a par value of $1 each. It is to be called the Attendu Engines Ltd.

The $2 per share which the stockholders are asked to pay is really in the nature of an assessment which will allow company to make certain alterations and repairs to its aviation engine before it is submitted for another test by the United States Government. This work is now being proceeded with at Detroit in the shops of a large American motor company.

The outstanding capital stock of the Eastern Engineering Co. at the date of its liquidation was 91,100 shares. Fixing the total issue of stock in the new company at 125,000 shares will make available some shares which might be sold. An endeavor is to be made to arrange for an under-writing of this stock, so that, in the event of the present shareholders not taking up the full allotment, their subscriptions may be supplemented and sufficient funds provided to ensure the financing of the reorganized company.

INDUSTRY LOWERS OUTPUT COSTS BY STANDARDIZATION

(Continued from page 1)

chants and manufacturers, through generally increasing turnover and reductions in overhead, are in many cases putting a stop to the losses so characteristic of annual balance sheets during recent years. Profits though often small are more often in evidence, and the new year has begun under more favorable auspices."

In discussing the reduction in current loans which has been experienced by all the banks, J. A. McLeod, general manager of the Bank of Nova Scotia, stated that the loss was largely in the West where grain borrowers are not using their customary lines of credit for crop-moving purposes. "The bulk of the wheat crop," said Mr. McLeod, "is now being handled by the wheat pool, and as it is their policy to hold back from the farmer a percentage of the value of his wheat delivered; a substantial amount of capital is thus made available, rendering the pool less dependent on the banks for funds to facilitate their operations. Loans in Canada for commercial purposes have shown a steady decline since deflation set in in 1920. while savings deposits are within $20,000,000 of the high peak reached in March, 1921."

FRASER'S LARGE ORDER

MONTREAL.—It is understood that the new mill of the Fraser Companies, which is situated in the state of Maine, is to obtain an order for 30,000 tons of paper to be used by Montgomery Ward in their catalogues.

UNLISTED SECURITIES

Industrials, Utilities, etc.—	Bid	Asked
Brooks Steamer (1 pref, 2 com.)	4	6
Can. Machinery, com	3½	6
Can. Machinery, pref	12	16
Can. Westinghouse, com	155	160
Cockshutt Plow, pref	58	59
Cosgrave Brewery	4	5
Dom. Combing (1 pref, 2 com)	30	37
Dom. Power pref	93	95
English Electric, com	14	16
English Electric, pref	58½	60
Gunns, Ltd., pref	37	40
Godfredson Truck, com	24	26
Imperial Tobacco	6	7
King Edward Hotel, Deb. A	74	77
King Edward Hotel, Deb. B	56	59
K. & S. Tire, pref	10	13
Loew's Toronto, com	27	32
Loew's London, com	2½	3
Loew's Ottawa, pref	10	13
Massey-Harris	68	70
Mount Royal Hotel, com	6	..
Mount Royal Hotel, pref	40½	45
North Mexico Power, com	50	53
R. Simpson, pref	100	..
R. Simpson, pref	100	..
Willard's, pref	71	74
Loblaw Groceterias, com	54	57
Capital Life 25% Paid	21	25
Continental Life 20% Paid	33	..
Crown Life	120	..
Empire Life	22	..
Excelsior Life 25% Paid	40	..
Great West Life	350	..
Imperial Life	175	..
Monarch Life 10% Paid	16	22
Manufacturers Life 20% Paid	76	..
Montreal Life 20% Paid	27	..
National Life 25% Paid	47	55
Re-insurance	12	15
Security Life 40% Paid	30	35
Sovereign Life 25% Paid	21	25
Sun Life 50% Paid	240	..
Comm. Finance, pref	60	63
Comm. Finance, com	11	12½
Manfrs. Finance, 50% com	6¼	7¼
Mortgage Dis., pref	7¼	8
Toronto Finance, pref	5	6

Stock Market Record

WEEK ENDING JANUARY 26

	Div. Rate	Yield Jan. 25	High for wk.	Low for wk	Close Jan. 26	Close Jan. 19	Sales for wk.	Range 1926 High	Range 1926 Low
Banks—									
Commerce	12+1	5.79	224½	223½	224	224½	172	226	223½
Dominion	12+1	5.82	223½	218	223½	219	28	223½	215¼
Can. Nationale	10	6.21	162	161	162	162	61	170	161
Imperial	12+1	6.09	215⅛	214¼	215	213	165	215⅛	211
Montreal	12+2	5.38	261	260	260	260	99	261½	259
Nova Scotia	16	5.60	286	285	286	285	81	286	281
Royal	12+2	5.48	255	253	255	253½	142	255	248¼
Standard	12	6.00	200	199	199	198½	26	200	198
Toronto	12	5.42	222	221½	221½	221½	154	222	213
Paper—									
Abitibi, com	4	5.49	75½	72	75	72¼	3837	75½	71½
Do. pref	7	6.14	114	114	114	116	62	116	114
Belgo-Can., pref	7	7.21	97¼	96	97¼	96¼	416	97¼	95¾
Brompton	.	....	27¼	26¼	27	26¾	565	28¼	26
Laurentide	6	6.89	88¼	84¾	88¼	85	2228	89	85
Price Bros., com	2	3.33	60½	59¾	60	61¾	435	62	57
Do. pref	6½	6.77	96	95½	95½	95¾	285	96	95½
Prov. Paper, com	6	5.94	101	101	101	101	5	101	100
Do. pref	7	6.91	103⅛	101¼	101¼	103½	135	103½	101¼
Smith, Howard, com	.	....	45¾	40⅛	44	40½	2202	45¾	38
Do. pref	8	8.04	99½	96	99	96	493	99½	92¾
Span. River, com	7	6.71	105¾	103	105¼	104	1310	106¼	102¾
Do. pref	7	6.00	116½	115	115	115½	190	117	115
St. Maurice Paper	6	5.66	106	106	106	106	250	106	105
Wayagamack	.	....	81	78	81	78	430	83	73
Steel and Steel Industries—									
B.E. Steel, com	.	....	3	2½	2¾	3⅛	221	3⅛	2⅛
Do. 1st pref	.	....	28½	28	28	28½	197	30	27
Do. 2nd pref	.	....	9½	8¼	9½	9½	601	10¾	8
Can. Car & Found., com	.	....	48	45	46	46½	2530	48	33
Do. pref	7	8.18	85½	84½	84¾	84½	2013	85½	78
Can. Foundries, pref	.	....	41½	41½	41½	..	1	41½	41½
Can. Gen. Elec., com	.	....	..	..	..	..	..	51	51
Do. pref	7	6.14	58	57	57½	58	141	58½	57
Canada Iron, com	.	....	..	..	..	..	..	10	10
Do. pref	4	....	..	..	..	..	..	40	40
Can. Locomotive, pref	7	9.09	77	77	77	77	5	77	73
Dominion Coal	.	....	41	41	41	41	15	41	40½
Dominion Iron, pref	.	....	..	..	..	..	..	24	20
Dominion Bridge	4	4.44	93	85	93	85	2110	93	80
Dom. Radiator, pref	7	6.79	103	103	103	103	35	103	103
Dom. Steel Corp., pref	.	....	..	..	..	..	..	24	24
Ford Motor	10	....	..	..	..	..	..	..	..
Ontario Steel, com	4	5.94	71½	71¼	71½	71½	100	71½	70
Do. pref	7	6.96	..	..	..	..	..	100½	100¼
Russell Motor, com	.	....	40	39	39	39¼	210	40	39
Do. pref	7	8.21	85¼	85	85¼	84½	105	85¼	82
Steel of Canada, com	7	7.21	97	95⅛	95⅛	97	493	98½	95⅛
Do. pref	7	6.08	116	115	115¼	116½	130	116½	114
Milling and Foodstuffs—									
Atlantic Sugar, com	.	....	30	28	29	29	1515	32⅛	28
Do. pref	.	....	82	82	82	81	10	88	81
B.C. Fishing	.	....	60	57¼	58	59¾	1275	61¼	57½
Canada Bread, com	.	....	60	60	60	59½	7	61	59½
Do. pref. (A)	7	6.48	..	..	..	..	..	108	106
Do. pref. (B)	7	7.25	96½	96¼	96½	96½	210	96⅛	96¼
Can. Canners, com	.	....	13½	13	13½	13⅛	391	15	13
Do. pref	.	....	64	62	63½	63	631	67¼	62
Canadian Salt	8	5.92	135	134	135	132	80	135	131
Christie Biscuits, com	.	....	..	..	..	..	..	63¼	62
Can. Bakeries, com	.	....	34½	34	34½	34	11	36	34
Do. pref	7	7.33	96	95½	95¾	95¾	101	96¼	95½
City Dairy, com	12	3.84	78½	75	78½	76	796	78½	75
Do. pref	7	6.42	110	109	110	109	18	110	107
Cuban Can. Sugar, com	.	....	5	5	5	3½	5	5	3½
Do. pref	.	....	..	..	..	..	..	24½	24½
Dominion Stores, com	1.00	....	66½	65½	66½	67	51	67	65
Do. pref	8	7.14	112	112	112	112	26	112	106
Wm. Davies (A)	.	....	35½	35¼	35½	35½	100	37¼	34½
Inter. Milling, pref	7	6.73	104½	104	104	104½	130	105	102½
Lake of Woods, com	12	6.85	175	175	175	172	66	175	172
Do. pref	7	6.03	..	..	..	..	..	116	116
Maple Leaf Mill, com	.	....	82	80	80	88	10	88	80
Do. pref	7	7.00	100½	100	100	100½	155	102	100
Ogilvie Flour, com	5+3	4.27	187	185	187	187½	37	194	175
Do. pref	7	5.66	..	..	..	..	..	123½	123½
Pure Gold Mfg	50c	....	..	..	..	..	..	22¼	22
Shredded Wheat	10	5.15	195	191	195	194	89	195	169½
St. Law. Flour, com	.	....	44	42	44	43½	160	45	39½
Do. pref	7	8.51	..	..	..	..	..	82¼	82¼
West. Can. Flour	8	6.95	115	115	115	115½	7	115½	114
Western Grocers, com	.	....	7	6½	6¼	7	486	13¾	6½
Do. pref	.	....	55	53	53	55	316	64	49½
Utilities—									
Bell Telephone	8	5.71	140½	139¼	140¼	140	604	141	139
Consumers Gas	10	5.58	180	177½	179½	178	76	180	174½
Inter. Utilities (A)	87½c	....	38	37¾	38	37¾	100	38	37½
Do. (B)	.	....	..	..	..	..	..	9½	9½
Jamaica Pub. Ser., pref	7	7.17	97½	97½	97½	98½	15	98½	97½
Laurentide Power	5	4.54	..	..	..	..	..	110	110
Mackay, com	7	5.14	136	136	136	137½	40	138½	136
Do. pref	4	5.47	73¼	72⅛	73	72½	233	73½	72
Mexican Light, com	.	....	29½	29½	29½	29½	37	30	29½
North Mexico Pr	.	....	52	50⅛	52	50¼	265	55	50⅛
Mont. L. H. & Pr. Cons.	8	3.71	217½	213½	217½	216	6301	218¼	212⅛
Montreal Telegraph	8	6.40	50	50	50	51½	10	51½	50
Ottawa L. H. & Pr., com	6	6.12	98	98	98	98	55	98	97½
Do. pref	6½	6.25	105	103	105	102	23	105	102
Quebec Power, com	5	4.13	121	118½	120	118½	292	123	113
Do. pref	7	6.36	110½	109⅛	110	110	57	116	109⅛
Shawinigan	8	4.70	170½	168	170¼	169	265	171½	167½
South. Can. Power, com	1.00	....	89½	88	88	90	35	90½	83
Do. pref	6	6.00	100	100	100	101	5	101	100
Transportation—									
Can. Pacific Rly	10	6.75	148	147¼	147½	149	158	149	147
Can. Steamships, com	.	....	12¼	12	12¾	13¼	70	13¼	11¼
Do. pref	.	....	60½	59	59	60¼	2066	61¾	56
Tractions—									
Barcelona	.	....	28	27½	28	28	165	29	27
Brazilian, com	5	5.88	85¾	82	85⅛	82¼	39511	85¾	80
Do. pref	6	6.15	97½	97½	97½	98½	5	98½	97½
Detroit Un. Rly	.	....	3	3	3	3	235	3¼	3
Duluth-Superior	.	....	29¼	29	29¼	29	59	31½	29
Montreal Trams	10	5.71	177	175	175	178	66	178	175
Ottawa Traction	4+1	7.93	..	..	..	..	..	63	63
Porto Rico Rlys., com	.	....	..	..	..	..	..	41½	40
Do. pref	7	8.04	..	..	..	..	..	89	87
Twin City, com	4	5.03	79½	77	77½	78	620	79½	77
Winnipeg Elec., com	1	....	50⅛	47½	50¼	48	5285	50⅛	46½
Do. pref	7	7.31	97	95¾	96	95¾	35	97	95
Textiles—									
Can. Conn. Cotton, pref	1	....	..	..	..	..	..	49	46¾
Can. Converters	7	7.44	94	92	93½	94	84	94	92
Can. Cotton, com	8	6.50	123	121	123	123	190	124	121
Do. pref	6	6.18	97	97	97	96	83	97	95
Can. Woollens, pref	.	....	50	50	50	50	25	50	50
Dom. Textile, com	5	5.40	93	91½	92	92½	1085	95½	91½
Do. pref	7	5.78	121	121	121	120½	40	121	119
Monarch Knitting, pref	.	....	..	..	..	..	..	50	50
Montreal Cottons, com	6	5.79	..	..	..	..	..	103½	103½
Do. pref	7	6.14	..	..	..	..	..	114⅛	112
Penmans, com	8	4.34	186½	184	184	182	413	186½	180
Do. pref	6	5.76	..	..	..	..	..	104¼	104
Wabasso Cotton	4	6.15	..	..	..	..	..	65	65
General Industrials—									
Amer. Salesbook, com	4	5.83	69½	68½	69	68½	157	69½	64
Do. pref	7	7.48	93½	93¼	93½	93¼	17	94½	92
Asbestos Corp., com	6	6.78	90¼	88⅛	89	92¼	1280	94½	88⅛
Do. pref	6	5.17	116	113	113	115	591	116	113
Brantford Cordage, pref	2	....	27	26½	26¾	26½	210	27½	26
Burt, F. N., com	12	4.83	62	61	61	61¾	462	62½	61
Canada Cement, com	6	5.71	106⅛	102	106⅛	103	1186	106⅛	101¾
Do. pref	7	5.83	120	117	120	116	157	120	115½
Cons. Rubber, pref	7	8.09	86½	86½	86½	86½	25	86½	86½
Can. Indust. Alcohol	1.28	7.21	18½	17	17	17⅛	3482	18½	16¾
Crows Nest Coal	6	....	60½	59	60½	59	38	60½	51
Dom. Glass, com	7	7.60	94	87	92	87	360	94	85
Do. pref	7	6.60	106	106	106	..	25	106	106
Eastern Theatres, com	.	....	25	22	25	19	339	25	18¾
Do. pref	7	8.43	83	83	83	83	2	83	83
Gilman, com	6	5.71	105	105	105	106	58	106	105
Do. pref	7	6.14	114	114	114	113½	13	114½	113½
Goodyear Tire, pref	7	7.25	97	96	97	95½	65	97	93½
Lyall Construction	.	....	..	..	..	..	..	20	20
National Brew., com	4	7.08	57½	56	56½	56½	3151	59	56
Do. pref	7	6.60	106	106	106	..	5	106	106
National Brick, com	.	....	..	..	..	..	..	12½	12½
Do. pref	7	....	..	..	..	..	..	71½	67½
Pacific Burt, com	6	5.88	102	92	102	93	355	102	90⅛
Do. pref	7	6.54	107	103½	107	102	22	107	102
Port Hope Sanitary, com	.	....	80	75½	75½	74½	46	180	74½
Rogers, Wm., com	.	....	53	53	53	53	265	53	45
Do. pref	7	7.58	92¼	92¼	92¼	92	6	92¼	90¼
Sherwin-Williams, com	6	4.68	130	128⅛	128⅛	129½	65	131	128⅛
Do. pref	7	6.14	114	114	114	114	13	114	112½
Sterling Coal	4	....	39	38¾	39	37	100	39	37
Tuckett Tobacco, com	4	6.15	..	..	..	..	..	65	65
Do. pref	7	6.82	102½	102½	102½	102	10	102½	102
Woods Mfg., com	.	....	39½	39½	39½	39	25	41	39
Do. pref	7	8.91	..	..	..	..	..	78½	77¾
Trust and Loan—									
Canada Landed	10+1	5.50	100	98	98	100	20	100	95
Can. Permanent	12	5.85	205	204	205	204	36	205	202½
Colonial Invest	6	....	..	..	..	..	..	4	4
Hamilton Prov	10	6.36	157	157	157	..	1	157	157
Huron & Erie	7	5.44	129	128	129	127½	20	129	127½
Landed Banking	9	6.16	..	..	..	..	..	..	..
Montreal Loan	12+1	6.50	..	..	..	..	..	50	50
National Trust	12	5.04	..	..	..	..	..	238	235
Ontario Loan	11	5.23	..	..	..	..	..	105	103½
Real Estate Loan	7	8.23	..	..	..	..	..	..	..
Toronto Gen. Trusts	12	5.33	225	225	225	..	8	225	225
Toronto Mortgage	10+1	5.88	93½	93½	93½	..	3	93½	93½
Union Trust	7	7.77	..	..	..	..	..	..	..

THE CURB MARKET

	Div. Rate	Yield Jan. 25	High for wk.	Low for wk	Close Jan. 26	Close Jan. 19	Sales for wk.	Range 1926 High	Range 1926 Low
Brit. Amer. Oil	8+2	4.90	51¼	50	50⅛	50⅛	3479	53½	50
Can. Oil, com	1¼	....	74	69½	69½	73	193	74	65
Do. pref	8	....	..	..	..	..	..	100	100
Continental Oil	25c	1.04	24	23½	24	24¼	110	26	23½
Dryden Power	.	....	7½	7	7	7	75	7¾	6
East Engineering	.	....	1⅛	1⅛	1⅛	1¼	80	1½	1
Good. & Worts	1½	2.98	201	100	201	199	12	201	193
Imperial Oil	1.00	2.66	37½	35¼	36⅞	35¾	1769	38½	35¼
Inter. Petroleum	75c	2.20	34½	31⅞	34½	32½	1365	35	31⅞
Manitoba Power	.	....	39½	33	39½	33⅛	2692	39½	24
Pressed Metals	2	....	30	30	30	..	26	30	30
Simpsons, pref	6	5.94	101	101	101	..	30	101	101
St. Maur. Power	.	....	78	77½	78	77	27	78	77
Volcanic Oil	62c	2.17	28½	28½	28½	28½	45	29	28½
Asbestos (New) com	.	....	21⅞	20	20	23	290	24½	20
Do. pref	.	....	62	62	62	70	100	70	62
Power Corp	.	....	27½	27	27¼	26½	1380	27½	24½
St. Law. Power	.	....	36½	36	36½	36	55	36½	36

MOTOR CAR PRODUCTION UP

According to figures just published by the Commerce Department at Washington, the output of passenger automobiles in Canada and the United States during 1925 was 3,817,638, against 3,262,764 in 1924. Motor truck production last year was 496,998, against 377,344 in 1924. Both of these totals were the largest on record. The number of manufacturers operating was 179, against 246 at the beginning of the year.

Canada's share of the totals quoted above, of passenger cars, was 139,311, and of motor trucks, 22.075. The 1924 totals were 117,765 for passenger cars and 17,481 for trucks.

BIG REAL ESTATE DEAL AT OTTAWA

OTTAWA.—The "Bate Block," situated on the west side of Bank St., extending from the south side of Nepean St. to the north side of Lisgar St., was sold at a figure around $200,000, constituting one of, if not the largest Ottawa real estate deals for a year or more.

Built for the many who want the best

Alfred Graham & Co. London, England Patentees

AMPLION

Loud Speakers

A British-Built International Standard

Radio is in its infancy but is rapidly progressing. New models appear daily, and the question is "Which is the best?" Sooner or later there will be many "orphans" with no foster parents in sight.

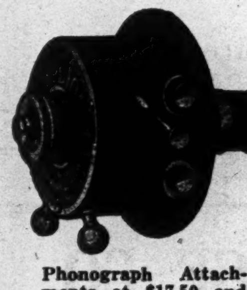
Discriminating buyers will pick the winners but will they be equally astute in the selection of a Loud Speaker?

No question of this if they perfect their investment by installing the Amplion—the Loud Speaker built by nearly 40 years' experience—the Loud Speaker which has been accepted as standard by leading radio manufacturers.

Buy the speaker of no regrets—the speaker which instead of handicapping the excellent radio of your choice will bring out to the full its perfections and assure the delivery of "Better Radio Reproduction" with surpassing quality and volume.

Ask your Dealer to let you hear the Amplion—in comparison—Free Log Book and Pamphlet "F" upon request. Prices from $12.00 to $45.00.

Loud Speakers similar in general design to the Dragon AR-19 ($45.00) illustrated above, range in price from $12.00 to $125.00.



Phonograph Attachments at $17.50 and $25.00. The AR-35 ($25.00) illustrated, is the finest unit obtainable. It converts your phonograph into an efficient radio Loud Speaker.

The Amplion Corporation of Canada Limited

Sales Distribution by

BURNDEPT OF CANADA LIMITED

Head Office: 130 Richmond St. W., Toronto
Branch Office: 307 St. James St., Montreal

The 62nd Annual Account of Huron & Erie Stewardship

The saving and investing public has become accustomed to expect a good report from The "Old Huron & Erie" Mortgage Corporation.

Here are some features of the 1925 financial statement:—

	End of Year	Increase
Huron & Erie Canadian Debentures	$15,065,000	$2,007,000
Savings Deposits	6,960,000	799,000
Reserve Funds	1,850,000	100,000
Total Assets	31,466,000	2,998,000

(The Surplus Security of the Corporation now totals $6,924,000. This sum consists of Paid-up Capital, Reserve Fund and undivided profits—every dollar of which is pledged as additional security for Depositors and Debenture-owners).

The institution's splendid record in dealing with first mortgage investments is maintained. For the 18th consecutive year not a dollar's worth of real estate is owned — either directly or indirectly — other than its own office premises.

During the year over 3,600 savers opened new savings accounts with this 62-year-old institution.

You are cordially invited to transact your financial business here during the 63rd year. The aim of our officers will be to make the connection permanent and pleasant.

The Huron & Erie MORTGAGE CORPORATION

"Older than the Dominion of Canada"

14 KING STREET EAST, TORONTO.

Other Branches—
London, Ont., (four); Windsor; St. Thomas; Chatham; Winnipeg; Regina; Edmonton.

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinner's Fine Counts of Yarns

DOMINION BRIDGE CO.
LIMITED
Montreal, P.Q.

ENGINEERS, MANUFACTURERS *and* ERECTORS *of* STEEL STRUCTURES

HEAD OFFICE AND WORKS: Lachine Locks, P.Q. P.O. Address, Montreal, P.Q.
BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.

Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

Atlantic Sugar Refineries
LIMITED

Lantic Sugar

General Offices
211 McGILL STREET
MONTREAL

Refineries - St. John, N.B.

DOMINION TEXTILE CO., Limited

PRUE

MANUFACTURING

All Lines of White and Grey Cottons, Prints, Sheetings, Shirtings, Pillow Cottons, Long Cloths, Cambrics, Ducks, Bags, Twills, Drills, Quilts, Bureau Covers, Towels and Towelling, Yarns, Blankets, Rugs, Twines, Narrow Fabrics

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

MONTREAL TORONTO WINNIPEG VANCOUVER

MAPLE LEAF Anti-Freeze

The sale of "Maple Leaf Anti-Freeze" is more than all other brands combined.

Don't say "Anti-Freeze," say "MAPLE LEAF ANTI-FREEZE"

Sold in all first-class Garages, Service and Filling Stations.

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED

Distributing Warehouses:
MONTREAL — CORBYVILLE — TORONTO — WINNIPEG — VANCOUVER

Pulp and Paper

WHALEN COMPANY'S BONDHOLDERS WILL GET PAR FOR PAR

Plan Provides a Scheme for Debenture Holders to Retain Interest

From Our Own Correspondent.

MONTREAL.—The assets of the Whalen Pulp & Paper Mills, which were recently acquired by the company's first mortgage bondholders, will be taken over by the British Columbia Pulp & Paper Co., a new company which has been formed under the plan of reorganization. The holders of the debenture stock in the defunct Whalen Pulp & Paper Mills lost their equity in the property at the time it was taken over by the bondholders; however, under the reorganization plan, the debenture holders may still retain an interest in the property. To do so, they must purchase further securities in the new company.

The capitalization of the British Columbia Pulp & Paper Mills Co., is as follows:

	Authorized	To be Issued
6% 1st mort. bonds..	$7,500,000	$3,707,500
7% gen. mort. bonds	2,500,000	1,500,000
7% pref. stock	1,000,000	556,125
Com. (no par value)	150,000 shs.	100,000 shs.

The Exhange of Securities

The new first mortgage bonds will be issued in exchange for the Whalen first mortgage bonds, par to par. The preferred stock will also be distributed to the Whalen bondholders, on a basis of $150 of preferred with each $1,000 bond, representing interest accrued and unpaid up to November, 1925.

The Royal Securities Corporation has purchased $1,500,000 in 7 per cent. general mortgage bonds and has given its undertaking that if at any time up to July 1, 1926, the working capital of the company should fall below $1,000,00, it will purchase sufficient additional general mortgage bonds to make good such deficiency.

The Royal Securities also have made the offer to the debenture holders of the old company which would enable them to retain an interest in the new company; the terms hold out the possibility of an eventual recovery of the amount of their investment in the Whalen debentures. The offer to the holders of Whalen debenture stock by the Royal Securities Corporation is as follows: On subscribing for $400 par value of the new general mortgage bonds, each $1,000 debenture holder will obtain, in addition to the new general mortgage bond for $400, twenty shares of no par value common stock in the new company. Should all the Whalen debenture holders subscribe up to the limit of their allotment, they would acquire approximately 75,000 shares, or the ultimate control of the new company.

A Voting Trust at First

Although the common stock in the company will be distributed in this manner, yet the control will be exercised through a voting trust on all the capital stock outstanding. Under this voting trust plan there will be three trustees nominated in the first instance by the Royal Securities Corporation. Debenture holders then, who decide to subscribe for the new issue will receive not stock certificates, but voting trust certificates covering the amount of their stock allotment. Ultimately, the actual stock will be distributed.

The balance sheet of the new company, as at November 1, 1925, shows that the new common stock has a book value of $30 per share. Should this common stock attain a market valuation of $50 per share, the Whalen debenture holders, who subscribe for the new general mortgage bonds, will recover the amount of their original purchase price of their debentures.

Earnings of New Company

In a letter of the Royal Securities Corporation making the foregoing offer to the Whalen debenture stockholders, there is reviewed the many factors which finally forced the company into the hands of its bondholders and caused the present reorganization. The letter further points out that during 1925 the demand for sulphite pulp has considerably strengthened and has resulted in greatly improved earnings from the property. With regard to earnings on the new capital stock, the letter says in part as follows:

"The operation of the properties for the six months ended October 31, 1925, showed net earnings, as certified by Price, Waterhouse & Co., chartered accountants, available for interest and depreciation, of $438,492, or at the rate of $876,984 per annum. The amount required to pay annual interest charges on all first and general mortgage bonds to be presently outstanding will be $327,450.

The two largest mills of the company are at present operating at capacity, with substantial orders in hand, and there is every indication that prices to be obtained during the current year will be equally as satisfactory as those now being received. Based upon a continuance of these conditions, it would appear that surplus profits of from $300,000 to $400,000 over operating expenses and interest charges may be reasonably anticipated for the year 1926. With a demonstrated ability to manufacture at exceedingly low costs and an estabilshed earning power under present market and operating conditions, we regard as very favorable the outlook for the equity represented by the common shares of the new company.

The new company will commence operations with working capital in excess of $1,000,000 and will be free of floating debt. Surplus net profits during 1926 should establish substantial additional cash reserves.

The 6 per cent. first mortgage bond issue maturing in 1950 will largely relieve the company of the heavy serial payments called for annually until 1934 under the old first mortgage."

Abitibi Production in 1925 Was Record

From Our Own Correspondent.

MONTREAL.—The year 1925 was the most productive period in the history of the Abitibi Power and Paper Company. The total output of the mill during the year amounted to 160,000 tons of newsprint, an average production of over 500 tons per day.

The record showing was made with seven machines which have all been in operation since 1922, at which time, the company was turning out 450 tons daily. Since then, the output has steadily moved upward.

Merger Would Increase Price of Spanish Pref.

From Our Own Correspondent.

MONTREAL.—The preferred stocks of Spanish River Pulp and Paper Mills at present prices should prove attractive to many investors. Both the common and preferred shares in this company are paying 7 per cent., and the latter share equally in the profits, after the common stock has received 7 per cent. Last year the company had surplus earnings of $658,836, which were transferred to surplus account, further strengthening the company's already strong position.

As far as the preferred shareholder is concerned, he can look forward possibly to receiving eventually either higher dividends, or possibly the company might be merged with Abitibi. If this consolidation should ever take place, there seems little room to doubt that the preferred stock would be worth at least $150 a share. The preferred shareholders would probably not consider any offer which would not give them new securities with a market value of at least this amount, in view of the participating feature of their shares. In this connection, it is interesting to note that the company's earnings over the past six years have averaged over 13.5 per cent. on the combined preferred and common stock outstanding.

Thunder Bay Increasing Output to 400 Tons Daily

From Our Own Correspondent.

MONTREAL.—The Thunder Bay Company, which operates a groundwood mill with a daily capacity of 60 tons at Port Arthur, Ontario, has laid out a programme of expansion to be completed by 1931. The company intends to have a daily production of 400 tons of newsprint with the necessary groundwood and sulphite pulp capacity. The capital required for the project will amount to around $10,000,000, much of which will be spent in construction and equipment purchased from Canadian companies.

International Paper Co. Develops Second Site

From Our Own Correspondent.

MONTREAL.—The International Paper Company will shortly commence the development of a second water power on the Gatineau River. The new hydro-electric plant will be situated at Farmers, P. Q., and will supply a portion of the power for the company's new paper mill at West Templeton, P. Q., which is a few miles east of Hull on the Ottawa River. Power will also be provided from the other new power plant at Chelsea, P. Q., which is about five miles from the confluence of the Gatineau and Ottawa Rivers.

The site of the projected plant at Farmers, P. Q., is a short distance up the river from the Chelsea site, and both plants together will produce at least 150,000 horsepower. Work on the Chelsea site began about two months ago.

What About Water Powers of International Paper?

Editor, The Financial Post,
Toronto.

Sir.—As International Paper Co. cuts such a large figure in Canada, with many Canadians as substantial shareholders, I wonder if we could not induce the president to give his shareholders some information about the company's water power deal in the United States. Some months ago it was stated by some in a position to know that I.P.'s water powers in U. S. were worth forty million dollars. To-day, when a deal is being completed whereby I.P.'s power enters into a vast merger, we hear nothing of the value of its water power and the market for I. P. shares remains unruffled. St. Regis Paper Co., through its water powers, has made fabulous profits for its shareholders. What of I. P.?

Yours,
Canadian Shareholder.

Toronto, Jan. 25, 1926.

"Steamers" Capitalization Provokes Deliberation

From Our Own Correspondent.

MONTREAL.—It has long been known that the directorate of Canada Steamship Lines has given considerable thought to the weaknesses in the company's capital structure, which were a legacy from the preceding management. It is said that at the recent directors' meeting the president, W. H. Coverdale, and a fellow director, were authorized by the board to work out a scheme which would place the company on a sounder basis.

There is no doubt that a re-organization of the capital structure is bound to come, as earnings over the past three or four years have been out of proportion as compared with the capitalization. Unofficial speculations regarding the new capitalization have been made. These include the possibility of changing the present outstanding common stock from $12,000,000 to $4,000,000 and changing the par value of the stock to no par value. Again, it has been suggested that the dividend arrears in the preferred stock might be met with an issue of common shares of no par value.

Brandram-Henderson Earnings Improving

From Our Own Correspondent.

MONTREAL.—The Financial Post understands that business during the past year, as far as Brandram-Henderson is concerned, has undergone a considerable improvement; consequently shareholders can expect to see a betterment of earnings in the forthcoming annual statement covering the period ending December 31, 1925.

The outlook for business for this company during the coming year is considerably improved also, and it is anticipated, therefore, that 1926 should yield better returns than 1925.

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Public Utilities

MONTREAL POWER MAKES ANOTHER GOOD SHOWING

Gross, Net and Financial Position Show Betterment in Year

From Our Own Correspondent.

MONTREAL. — Just three weeks after the close of Montreal "Power's" fiscal year, the company forwarded to its shareholders its annual financial statement, which, as usual, revealed increased gross earnings, increased net earnings, and percentage applicable to the outstanding stock and a bettered financial position. During 1925, the earnings on the common stock amounted to 10.32 per cent., as compared with 9.99 in 1924. The gross revenues were up almost $1,000,000 and amounted to $18,348,806. The net income applicable to dividends amounted to $6,676,376, as compared with $6,406,412 in the preceding year.

Changes in the balance sheet during the year include a material increase in the working capital, which now stands at $10,647,089, as compared with $9,335,154 at the close of the preceding year. Amongst the assets, stocks held has been increased by over $3,500,000 during the year, but loans to subsidiary companies have dropped some $2,500,000. Amongst the liabilities, the depreciation reserve is up over $700,000 and the surplus account shows an increase of $1,537,286.

The Profit and Loss Figures

The profit and loss account figures for the past three years, together with the company's working capital position, compare as follows:

	1925	1924	1923
	$	$	$
Gross	18,348,806	17,394,091	16,140,960
Op. exp.	7,349,243	6,847,881	*7,113,960
Bal.	10,999,562	10,546,207	9,027,000
Taxes	1,274,655	1,136,608	....
Bal.	9,274,907	9,409,599	9,027,000
Deprec.	1,834,880	1,739,409	1,614,096
Net rev.	7,890,026	7,679,190	7,412,904
Fix. cgs.	1,213,650	1,209,778	1,211,654
Net inc.	6,676,376	6,406,412	6,201,250
Div. pfd.	4,256,638	3,770,642	3,231,767
Bal.	2,419,737	2,689,770	2,969,483
Div. accr.	862,452	754,261	754,041
Bal.	1,557,285	1,935,508	2,215,442
Pens. F.	20,000	20,000	20,000
Bal.	1,537,285	1,915,508	2,195,442
Ins. res.	....	150,000	....
Surp.	1,537,285	1,765,508	2,195,442
P.C. earned on stock	10.32	9.99	9.59

*Including taxes other than income tax.

Working Capital Position

	1925	1924	1923
Cur. ass.—	$14,832,953	$13,274,769	$12,586,590
Cur. liab.—	4,185,864	3,939,615	3,001,492
Wk. cap.—	$10,647,089	$ 9,335,154	$ 9,575,098

The remarks of the president, Sir Herbert S. Holt, incorporated in the report, indicate that the showing should be regarded as satisfactory, in view of the industrial depression that prevailed during the period under review and the reduction in rates made for the company's service early in the year. The increase in revenues is accounted for almost exclusively by the additional residential business which has been obtained in the new districts in which the company has recently extended its services.

Subject to Heavy Taxation

The president also points out that the taxation of the company is excessively heavy and discriminatory, as its operations are subject to heavy federal income taxes, whereas provincial and municipal undertakings in Ontario, although on a similar commercial basis, enjoy immunity from provincial, municipal and federal income tax. He points out further that, had not the company paid into the federal exchequer about $783,000 in income tax during the year, its rates for electricity to domestic users could have been reduced from 3½ cents per kilowatt hour to 2.88 per kilowatt hour.

During the year, the company redeemed $209,000 of its bonded debt and numerous additions, both to its gas and electric systems, were completed. These additions represent a sum of $2,383,882.

Manitoba Power Stock is in Strong Demand

MONTREAL.—The stock of the Manitoba Power Company continues its upward march and continues to sell out of line with the stock of its parent company, the Winnipeg Electric. The purchase of a large quantity of shares on the Montreal market this week forced the price of Manitoba Power up to over 40. Most of this buying is said to come from New York.

A contract between the Winnipeg Electric Company and its subsidiary provides that the parent company shall purchase sufficient power from Manitoba Power to provide the latter with profits sufficient to take care of its bond interest requirements. Up to within recent months, 'Peg Electric has, therefore, been forced to purchase power which it could not always dispose of at profitable rates. However, the demand for power has grown, and this disadvantageous situation, that of having surplus power, has been remedied.

One thing, however, is certain; either Manitoba Power stock is selling too high or Winnipeg Electric's stock is selling too low. On the information which has been given out, there seems no doubt that the latter is true.

In view of the increased interest in its subsidiary, the shares of Winnipeg Electric also were considerably stronger, but the advance, nevertheless, was out of line with that scored by the power company. 'Peg Electric owns 62,000 shares of Manitoba Power common, leaving 38,000 shares in the open market.

Quebec Southern Power Obtains New Customers

From Our Own Correspondent.

MONTREAL.—Within two weeks, the Quebec Southern Power Corporation will have completed its new transmission line to St. Lin, thus uniting the two electric systems which operate under the aegis of the corporation. It is anticipated that this new line will provide power for at least 1,000 new customers in this district, many of whom have already signed contracts and who are simply awaiting the completion of the line.

This line was to have been completed by the beginning of December, but a delay became necessary to adjust certain difficulties in connection with the right of way; these difficulties have all been ironed out, and the line is now being rushed to completion.

WILL HAMILTON AND LONDON PURCHASE STREET CAR LINES?

Question is Being Discussed in Both Centres Which Have a Problem

Hamilton and London are still very much in the air in regard the future transportation service of their respective cities. In each the street railways are being operated by the companies on a temporary agreement pending the reaching of a permanent solution of the problem.

In Hamilton there is talk of a six cent fare, but this is not favored by the majority nor the company. A move is on foot to have the people vote again on the question of purchase by the city. This was rejected by the voters in December, but those who are advocating another vote contend that the strong opposition to purchase was due to the fact that part of the proposal was that the system be turned over to the Ontario Hydro Commission to run. They express the opinion that the people will endorse a purchase proposal if the city is going to run the road itself. Indications are that the city and company are about as far away from an agreement to-day as they were weeks ago.

In London the company pulled its cars off the streets when the city declined to ban jitneys and buses. They replaced them and with the approval of the city are charging a five cent fare while negotiations are on. There is talk of purchase, but some of the aldermen do not seem inclined to load the city with an additional $2,000,000 debt and perhaps as much more for betterments.

Rather an interesting fact came out recently. It is to the effect that if the city so decides it can make the street railway franchise perpetual at the existing fares of seven for 25 cents. On the other hand the city can terminate the franchise by a year's notice prior to the end of any of the five year renewal periods provided for in the franchise.

MONTREALERS PAY TAXES FOR OTHERS

Holt Points Out That Province of Quebec Pays More Than Its Share

From Our Own Correspondent.

MONTREAL. — That power users in Quebec are paying more than their fair share of the Dominion's taxes is one of the outstanding points made by Sir Herbert F. Holt in his annual report to shareholders of Montreal "Power." The president of the Montreal Light, Heat and Power, Consolidated, points out that the operation of his company are subject to heavy taxes, whereas provincial and municipal undertakings in Ontario and elsewhere, although on an exactly similar commercial basis, enjoy practical immunity from provincial and municipal taxation and, moreover, under the federal law are entirely exempted from the payment of income tax. This means that the amount Montreal "Power" adds to its rates for the payment of these taxes is a direct tax which power users in the province of Quebec are forced to pay.

If it were not for these heavy taxes, Sir Herbert Holt points out that the company's present rate of 3½ cents per kilowatt hour for electricity could be reduced to 2.88 cents per kilowatt hour. Sir Herbert Holt goes on to say:

"It is significant, as stated, that consumers of electricity in Ontario and other provinces where the utilities are publicly owned, are exempt from this taxation. Our consumers, we are sure, do not object to paying their proportion of the running expenses of the country; they do, however, object (and rightly so) to paying the proportion of Toronto, Winnipeg and other cities where utilities are publicly owned and operated. Our protestations, as well as the able and well defined representations of the Montreal Board of Trade to the federal government, anent this question, have so far been without avail, and your directors feel that the consumers of electricity in this province should take some more effectual steps to correct this discrimination. Meantime this open discrimination in taxation undoubtedly handicaps Montreal and the province of Quebec.

"The continued increase in the disbursements for taxes—municipal, provincial and federal—reflects the national situation with respect to the present habit of lavish expenditures by governmental agencies. It is a question that calls for serious individual thought when a business such as yours, furnishing public necessities, is called upon to disburse in taxes the sum of $1,274,655, upwards of nineteen per cent. of the company's net income."

NEW UTILITY OFFERING

MONTREAL.—G. S. Gourdeau & Co., of Quebec, are offering a new issue of $125,000, 7 per cent., cumulative, preferred shares of Montmorency Electric, at par with a bonus of five shares of common stock.

BELL TELEPHONE TO ASK REVISION OF RATE SCHEDULE

Higher Plant and Operating Costs Require Further Depreciation Allowances

From Our Own Correspondent.

MONTREAL.—The Bell Telephone Company, in asking the Board of Railway Commissioners for a revision of rates, bases its claims on increasing costs over the past few years. The increased cost of plant and equipment has not allowed the company to earn a reasonable sum on the capital invested. This, of course, has not imperilled the dividend rate, but it is seen nevertheless in insufficient amounts allowed for depreciation.

It will be recalled that the company approached the Board with a view to a revision of its rates in 1921, at which time it was decided that the company should work out a more scientific rate scale based on modern conditions. When the company was first incorporated, the original rates were established separately for each community; these later grew with varying degrees of rapidity; consequently, there have arisen many inequalities in rates which the new schedule will iron out. For instance, the residential rates in many municipalities will be lowered and the business telephone rates will undergo an upward revision.

The company has made an elaborate study of its depreciation charges. This indicates clearly that insufficient amounts have been credited to depreciation account. Again, as the use of the telephone grows—unlike other businesses—the unit cost increases. In other words, the more telephones there are, the greater the use of individual instruments, with consequent higher costs to the company. It is data along these lines which are being placed before the board.

In this connection, too, it is to be remembered that the greater bulk of the plant and equipment were built before the war at exceedingly low costs as compared with present-day prices. Increased allowances for depreciation therefore are undoubtedly necessary in this instance.

Another factor which enters into the cost of the service is the greater increase and use of residence telephones as compared with long distance lines. The latter are in use continuously, whilst the residence phones have but little traffic and in some instances do not carry their share of the fixed charges load.

If the Bell Telephone is not making sufficient earnings to make proper allowances for depreciation, it will eventually be reflected in increased cost to the user for, with a financing programme of some $87,000,000 over the next five years, it will be impossible for the "Bell" to obtain its money in the cheapest market; the more the company has to pay for its financing, the more will the users of its instruments eventually pay in rates.

There is no doubt that the increase in telephones has a decided effect on the unit earnings of the Bell Telephone system. That this is the case is seen in the following table showing the company's total revenue per telephone over the past four years:

1922	$48.72
1923	$48.49
1924	$47.24
1925	$46.75

In the new schedule which the company has submitted to the Railway Commissioners, the rates aimed at are those which will yield a revenue of 7 per cent. on the value of the company's property. This percentage is not based upon the appraised value of the physical property as it stands to-day, but upon the actual cost of the property as shown in the books of the company.

In a letter to the shareholders, the president of the company sets forth the attitude of the Board when approached for a revision of rates in 1921. A portion of the letter follows:

The second is that in our 1921 case, in order to avoid a substantial increase in rates, the Board of Railway Commissioners suggested that as a temporary measure, and to meet the emergency existing, we should reduce our charge to depreciation. While we have felt for some time that the rate of depreciation we have been charging was not adequate, we have been carrying on an exhaustive study which has just been completed. The result of this study indicates that our charges for this purpose have been insufficient.

Your investment in the shares of this company is not impaired, as the conservative financial policy of forty-five years has created reserves which may be drawn upon if necessary to supplement the earnings to meet dividend requirements. But if we are to meet the public demand for service we must be assured of net earnings which will maintain our credit and attract new capital as required.

Power Corporation Now Listed on New York Curb

MONTREAL.—The Power Corporation of Canada has made application to list its stock on the New York Curb; it is expected that trading will begin there almost immediately. The Power Corporation is a holding company only.

Through its second preferred and common stocks it has acquired the controlling interests in Canada Northern Power Corporation, Ottawa-Montreal Power Co., and Ottawa & Hull Power Co., which controls the Ottawa River Power Co.; it also has a substantial interest in East Kootenay Power Co., Southern Canada Power Co., Winnipeg Electric Co., Dominion Power & Transmission Co., and Manitoba Power Co.

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The Royal Bank of Canada

The TORONTO GENERAL TRUSTS CORPORATION

Notice is hereby given that the Annual General Meeting of the shareholders of the Toronto General Trusts Corporation will be held at the Head Office of the Corporation, at the corner of Bay and Melinda Streets, in the City of Toronto, on

WEDNESDAY, the 3rd DAY OF FEBRUARY, 1926, at 12 O'CLOCK NOON,

to receive and consider the Annual Report and Financial Statements of the Corporation for the year ended 31st December, 1925; to consider amendments to existing by-laws; to elect Directors for the ensuing year, and for the transaction of such other business as may be brought before the shareholders.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, January 19th, 1926.

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Textiles

BELDING'S EARNINGS AUGUR WELL FOR OTHER TEXTILES

Earned 20% as Compared With 9% in Preceding Year

From Our Own Correspondent.

MONTREAL.—The annual financial statement of Belding-Corticelli for the year ending November 30 is the first annual report in the textile group to make its appearance and augurs a satisfactory year for the other companies in this group.

A decided improvement in both gross and net earnings took place; earnings applicable to the common stock amounted to 20.6 per cent. and compare with 9.3 per cent. earned during the preceding year.

The statement is satisfactory in every way and shows an increase in working capital position which now stands at well over $1,000,000; the amount standing at the credit of goodwill account has been reduced from $700,000 to $500,000.

Total profits for the year amounted to $345,853 as compared with $254,771 in 1924. After deduction of all prior charges, there remained $215,592 applicable to preferred and common dividends; this compares with $130,593 in the preceding year. After payment of dividends there remained $117,545 as compared with $40,041 at the end of 1924. To the balance of $117,545 was added an amount of $78,643 which had previously been carried in reserve. From this total was written off $200,022, leaving a balance in surplus account of $358,065.

Other changes in the balance sheet show a reduction of some $15,000 in cash, and an increase of almost $100,000 in accounts receivable. Inventories also have increased by well over $100,000. Amongst the liabilities, the accounts and bills payable show a large increase and also the reserve for depreciation and sinking fund.

The profit and loss account and the working capital position during the last three years compare as follows:

	1925	1924	1923
Profits	$345,853	$254,771	$279,807
Deduct:			
Sink. fund	14,790	14,790	14,790
Deprec.	66,707	62,407	62,836
Deb. int.	36,980	36,980	36,980
Deb. disc.	......	......	25,341
Ins. res.	11,784	10,000	......
Total	$130,261	$124,178	$139,949
Net profits	$215,592	$130,593	$139,851
Pfd. divs.	60,571	60,571	60,571
Balance	$155,020	$ 70,022	$ 79,280
Com. divs.	37,475	29,980	14,990
Balance	$117,545	$ 40,041	$ 64,290
xAdd tax res.	......	56,109	......
Balance	$117,545	$ 96,150	$ 64,290
†Trans. res.	78,643	......	......
Balance	$196,188	$ 96,150	$ 64,290
Prev. bal.	361,899	514,077	449,786
Total	$558,087	$610,227	$514,077
‡Written off	200,022	248,328	......
P. & L. bal.	$358 065	$361,898	$514.077
P.C. on com.	20.6	9.3	10.5

x—Written back.
†Written off good-will account.
‡Replacement.

Working Capital

	1925	1924	1923
Curr. assets	$1,347,319	$1,151,172	$1,206,685
Curr. liabs.	256,718	161,505	340,327
Work. cap.	1,090,601	989,667	866,358

The President's Remarks

The president, A. O. Dawson, in his remarks to the shareholders, said, in part:

Buyers continued to operate as for the past three or four years on a hand to mouth basis, necessitating the salesmen being almost continuously on the road, resulting in an increased cost of selling and much extra effort at the mills in the preparation of small parcels.

Raw materials used at the mills have continued fairly steady, and as a consequence there has been no shrinkage in the value of finished goods or of goods in process.

An agreement has been entered into with the town of Coaticook in regard to the power used by your mill operating at that point. By this agreement ample power is assured your Coaticook mill at a reasonable rate for the next fifty years.

Your directors, wishing to express in a practical way their appreciation of the faithful services rendered by the staff and employees, inaugurated on June 1, 1925, a form of group insurance—the cost of which will be borne entirely by the company.

In August, 1925, a silk hosiery department was added to your Montreal plant. This department should prove to be a good outlet for the products of the silk thread factory, and in time it is anticipated that it will become a very real asset to the company.

While the unstable political situation at Ottawa is undoubtedly restricting business activity, yet we hope that the results for the year 1926 will be equal to the year now being reviewed.

Large Imports Indicate Low Woollen Earnings

MONTREAL.—Advance figures for the year 1925 indicate that the imports of woollen and knit goods into Canada show little decline as compared with the 1924 figures. The following table of imports during the past five years indicates that investors can expect but little improvement in the earnings of the woollen companies and also shows clearly the effect of the lowering of the tariff on woollens in 1921. The figures follow:

IMPORTS OF WOOLLEN AND KNIT GOODS
For Calendar Year

	Gt. Britain	France	All c'ntries
1921	$22,014,757	$ 624,099	$29,194,012
1922	30,874,205	1,032,613	38,108,222
1923	33,111,173	1,695,010	40,700,908
1924	31,480,902	2,824,493	39,914,477
1925	31,383,596	3,093,866	39,576,228

Ontario Loan Sells Many New Debentures

Profits of the Ontario Loan and Debenture Company for 1925 are reported at $296,123, compared with $299,097 in the previous year and $297,075 in 1923. Following are comparative figures from the profit and loss account and a summary of the earnings record for nine years:

Profit and Loss

	1925	1924	1923
Earnings	$296,123	$299,097	$297,075
Income tax	26,878	25,757	31,495
	$269,245	$273,340	$265,580
Bal. forward	53,370	47,530	49,450
	$322,615	$320,870	$315,030
Distribution—			
Dividends	$192,500	$192,500	$192,500
Reserve	75,000	75,000	75,000
Balance	55,115	53,370	47,530
	$322,615	$320,870	$315,030

Nine Years' Record

Year	Paid-up Cap.	xProf.	Div.	% Profits Av. Cap.	Earn. Rt.
1925	$1,750,000	$269,245	11	15.3	6.0
1924	1,750,000	273,340	11	16.0	6.2
1923	1,750,000	265,580	10+1	15.6	6.2
1922	1,750,000	270,706	10+1	15.9	6.4
1921	1,750,000	289,591	10	16.5	7.0
1920	1,750,000	251,029	9+1	14.8	6.4
1919	1,750,000	246,182	9	14.4	6.3
1918	1,750,000	250,739	9	14.7	6.5
1917	1,750,000	254,610	9	15.0	7.0

xLess income tax.

The company's assets total $9,733,641. The reserve fund now amounts to $2,650,000, while the paid up capital is $1,550,000. Public funds are represented by $1,039,554 in Sterling debentures, $3,346,311 in currency debentures and $844,535 in deposits. Mortgage investments are shown at $6,543,737.

A feature of the report is the increase in the company's currency debentures outstanding, the total now being $3,346,311 as compared with $2,807,697 a year ago.

Canada Landed is in a Strong Position

Earnings of Canada Landed & National Investment Co. for the year ended Dec. 31, 1925, amounted to $413,059, which compares with $425,400 for the preceding year.

Profit and Loss

	1925	1924	1923
Earnings	$413,059	$425,400	$425,776
Interest	187,119	197,034	202,747
Taxes	....	3,610	3,702
Dom. Tax	....	19,713	16,630
Management	57,500	58,585	57,949
Commissions	x31,470	14,924	12,293
	$276,089	$293,866	$293,321
Net profits	$136,970	$131,534	$132,455
Bal. forward	53,120	42,086	42,182
	$190,090	$173,620	$174,637
Distribution—			
Dividends	$120,500	$120,500	$120,500
Bonus	12,050	......	12,050
Balance	57,539	53,120	42,086
	$190,090	$173,620	$174,637

xIncludes taxes and commissions.

Eleven Years' Record

Year	Gross Profits	Net Profits	Div.	% on Cap.
1925	$413,059	$136,970	10+1	11.4
1924	425,400	131,534	10	10.9
1923	425,776	132,455	10+1	11.0
1922	433,260	137,214	10+1	11.4
1921	481,364	202,423	10	16.7
1920	484,418	194,874	10	16.2
1919	445,053	151,684	9	12.6
1918	415,795	152,299	9	12.6
1917	417,267	158,209	9	13.1
1916	438,867	170 246	9	14.2
1915	454,574	199,200	9	16.5

The report of the directors presented by F. W. Harcourt, president, shows a satisfactory state of affairs. The balance sheet shows total assets of $6,323,842, which compares with $6,489,229 at the end of 1924. Mortgages are shown to have a total valuation of $4,238,024 and bonds and debentures $1,806,952. The annual meeting will be held on Feb. 10 at the company's head office in Toronto.

Dominion Financial Corporation Reports

MONTREAL. — The annual report of the Dominion Financial Corporation, covering the fourteen months' period ending December 31, 1925, shows a surplus of $5,658, as compared with $2,696, as shown in the previous annual statement. One of the features of the balance sheet is the increase which has taken place in the corporation's total assets, which now amount to $692,797, as compared with $201,732, a gain of $401,064 in the fourteen months.

That the sale of the company's securities has progressed satisfactorily during the period is evidenced in the fact that there is now issued a total of 15,101 shares of the preferred stock, as against 2,022 in the last report, and 15,000 shares of the no-par value common stock, as against 10,568 shares in the last report. Thus, preferred stock now outstanding, less unpaid subscriptions, has a balance sheet value of $250,469, as against $100,548 as previously reported, while common stock is carried at $75,000 against $52,840 previously. This means tthat all of the common stock has now been issued, while but a small balance of the 8% cumulative $50 par value preferred stock remains unissued, there being 6,000 shares of $300,000 authorized.

Another feature of the year has been the issuance of the 6½% 10 year gold bonds, of an authorized value of $200,000. There is now issued and outstanding, less unpaid subscriptions, $59,100.

HURON AND ERIE SUCCESSFUL IN GETTING FUNDS

Large Increases in Deposits and Canadian Debentures Shown

Continued success of the Huron & Erie Mortgage Corporation in the securing of Canadian funds, both by way of deposits and through the sale of currency debentures, is indicated in the annual report showing that the amount now invested in Canadian debentures totals $15,065,000 as against $13,058,000 a year ago while savings deposits total $6,960,000 a gain for the year of about $800,000. The year's profits amounted to $572,815, being higher than those of the previous year. Out of that amount, $25,000 has been appropriated for the payment to shareholders of a bonus of one-half of one per cent. in April next; $100,000 has been transferred to the reserve fund which now stands at $1,850,000. This fund, together with the paid-up capital of $5,000,000 and undistributed profits of $74,685 provides surplus security close to $7,000,000.

Total assets advanced from $28,468,000 to $31,466,000—a gain of $3,000,000 in round figures. Outstanding among the assets is an item of $23,969,000 covering first mortgage investments and accrued interest. This is a substantial increase over the figures for 1924 which totalled $19,863,000.

Readily saleable assets, composed of bonds of Great Britain, the Dominion of Canada, and its provinces and bonds guaranteed by the dominion and provincial governments; debentures of Canadian municipalities and other high grade securities, total $4,516,000. Cash on hand and in banks amounts to over $958,000. The remaining assets are the corporation's office premises now valued at $835,000 after writing off $15,000 from the previous year's account. Canada Trust Co. stock owned by the Huron & Erie is carried on the latter's books at the actual price paid — $1,186,960 although the value computed on the basis of the Canada Trust Co.'s reserve fund is $1,709,575.

The corporation's record in connection with its mortgage investments is again maintained for the eighteenth consecutive year — not a dollar's worth of real estate is owned, either directly or indirectly, other than office premises.

Union Trust Company's Earnings Were Increased

The twenty-fifth annual statement of the directors of the Union Trust Company indicates that the profits for the year amounted to $116,503, as compared with $111,000 for the preceding year. This amount added to the balance in profit and loss brought forward from 1924 makes available the substantial sum of $255,370.58.

From this total were appropriated the usual dividends amounting to $70,000, taxes and depreciation on the company's safe deposit vaults and equipment, leaving a balance of undistributed profits amounting to $167,485, at the credit of profit and loss account, as compared with $138,866 for the preceding year, or an increase of $28,618.

Capital Trust Showed a Decline in Profits

The profits of the Capital Trust Corporation for 1925 amounted to $37,284, compared with $42,529 in 1924. After paying dividends and adding $10,000 to the contingency reserve, $15,000 was written off ledger assets, the balance forward being reduced from $45,399 to $34,171. Following are comparative figures from the profit and loss account:

Profit and Loss

	1925	1924	1923
Profits	$37,284	$42,529	$42,001
Bal. forward	45,399	56,242	34,241
	$82,683	$98,771	$76,242
Dividends	23,512	23,372	.....
Conting. res.	10,000	15,000	10,000
Off assets and secs.	15,000	15,000	10,000
Balance	34,171	45,399	56,242
	$82,683	$98,771	$76,242

Seven Years' Record

Year	Paid-up Capital	Profits	Div.	% Profits Av. Cap.	Earn. Rate
1925	$603,648	$37,284	4	6.3	5.8
1924	596,569	42,529	4	7.3	6.1
1923	590,896	42,001	—	7.1	6.3
1922	580,578	41,344	—	7.1	6.4
1921	564,404	30,209	4	3.8	3.3
1920	546,063	27,256	4	5.6	5.0
1919	488,241	26,375	—	5.4	5.0

Saving deposits increased from $1,557,872 to $2,217,000. During the year the company was appointed trustee for new bond issues of $1,305,000 and transfer agents for new stock of $4,000,000, the total of these items now being $22,009,000. The company's assets total $7,239,991.

RAILWAY EARNINGS

CANADIAN PACIFIC RAILWAY

Week end.	1926	1925	Change
Jan. 21	$3,105,000	$2,651,000	+$454,000

CANADIAN NATIONAL RAILWAYS

Week end.	1926	1925	Change
Jan. 21	$4,210,880	$3,781,673	+$429,207

Our February Bond List Now Ready

This list should prove helpful to investors. The securities have been carefully selected and are offered at attractive prices.

Interest returns range as high as 6.30%.

Copy gladly forwarded upon request.

36 King Street West, Toronto. Telephone: Elgin 4321

Wood, Gundy & Company Limited

Insurance Company Reports

National Life Head Deplores Heavy Taxes

National Life Assurance Company issued business was 20 per cent. over 1924. For 1925, $10,809,195 of new business was issued, an increase of $1,768,914.

Insurance in force at the end of the year totalled $42,536,043, an increase of $4,416,892.

At the annual meeting, the general manager, C. H. Carpenter, said:

"In view of the direct benefit of the life companies to the country as a whole, as a result of the financial assistance rendered in connection with the construction programme, and the indirect benefit as a result of encouraging thrift, which in turn relieves the government of financial responsibility in connection with providing for the future generation, we are inclined to question the advisability of the present system of taxation, which makes it necessary for the companies to pay out large and ever-increasing sums in taxes.

On the occasion of the annual meeting the various branch managers of the company were entertained at a conference. A series of meetings was held and there was a luncheon at government house of all the visiting branch managers, together with head office officials. Lieutenant Governor Harry Cockshutt, who is chairman of the board of directors of the National Life, was host.

A. H. Beaton, president of the company, entertained the visitors and members of the head office staff at a banquet. Governor Cockshutt and the Rt. Hon. George P. Graham were the principal speakers, together with Hugh Blain, W. R. Hobbs, General Manager Carpenter, Assistant General Manager Sparling and J. A. Bouchard, M.P., who represents the National Life in his constituency in the Province of Quebec.

Excelsior Life Enjoyed Good Year in 1925

In several points, progress was recorded by Excelsior Life Insurance Company during 1925. A substantial increase in the volume of new business was recorded; a low mortality rate was maintained and the expense ratio was further reduced.

Business issued totalled $14,581,054, compared with $12,715,690 in the previous year. Business in force at the end of the year was $61,746,263, as compared with $57,782,440 at the end of 1924. Premium income was $1,826,289 as against $2,071,333, and total income $2,720,827 as against $2,427,491.

Payments to policyholders were $884,572. Death claims were little changed at $221,160; matured investments and endowments were higher at $302,958; and there was also an increase in payments of profits to policyholders and surrender values.

Mortality was under 38 per cent. of expected, which was higher than the previous year, but considerably below the recent average.

Continental Life's Sales for 1925 Was $7,500,000

Continental Life Assurance Company wrote approximately $7,500,000 of new business in 1925, bringing business in force to $26,818,703. The gain for the year exceeded previous records.

Assets increased by over $333,000, and now stand at $4,648,353. The large sum of $457,087 was paid to policyholders, of which one-sixth was by way of dividends on policies. While the general tendency of interest rates is lower, that of the Continental increased to 6.42 per cent. on their invested assets.

Federal Fire Had Better Year in 1925

Federal Fire Insurance Company had premiums of $179,668 in 1925, an increase from the 1924 figure, which was $157,791. Losses were $74,575.92, or 42.38 per cent. of premiums, as against $83,809, or 53.74 per cent. in 1924.

These figures include re-insurance. Net figures of operations are as follows:

	1924	1925
Premiums	$106,163	$113,612
Losses	53,242	49,258
Loss ratio	50.82%	44.28%
Expense ratio	44.25%	43.09%

Fidelity Insurance Had Larger Premium Income

Fidelity Insurance Company of Canada wrote $161,262 of premiums in 1925, as against $141,917 in 1924. After re-insurance, net premiums were $120,908, as against $981,526. Business was written in fidelity, surety, burglary, automobile, accident, health, plate-glass and liability classes.

Surplus from underwriting was $9,004, and investment income $18,960.

Dominion of Canada Co. Had Income of $1,400,000

Dominion of Canada Guarantee & Accident Insurance Co. made substantial gains in business written, income, assets and surplus during the past year. The gross premium income, all departments, amounted to $1,431,310.63, income from interests on investments totalled $74,101.51, making a total income for the year of $1,505,412. The assets of the company now amount to $1,792,503.45. The total reserves amount to $670,092 and the security to policyholders is given as $1,684,508. During the year the company has paid under accident and sickness policies 3,662 claims, amounting to $234,744.78.

HOLDERS OF PACKING SHARES ADVISED TO SELL AT MARKET

(Continued from page 1)

now producing an increasing quantity of high quality bacon, which is beginning to find a place in competition with the Danish product; Gunns secured first and second places for bacon at the 1924 British Dairy show. But the Danes have organized their own consignment houses and are in a better position to take care of the marketing of their products in England. This situation has led to a proposal which The Financial Post understands Canadian packers are considering, to enter into a co-operative arrangement in the pooling of Canadian bacon exports so that they may be handled to better advantage in competition with Denmark. If shipments were pooled it is argued that they could be put on the market in a more orderly way and thus be more effectively linked up with demand. The present system of irregular shipments is regarded by some of the packers as leading to ill-judged competition and reckless price cutting harmful to all concerned.

In any summing up of the packing industry, however, and taking into consideration the prevailing conditions, it does not necessarily follow that the shares of any or all of the companies should be sold at present levels. Taking the industry as a whole there seems every reason to believe that better rather than worse times are in prospect and it is the future rather than the present or the past which decides the market value of stocks.

FLORIDA TAKES N. S. LATHS

HALIFAX. — Nova Scotia produced during the past year the largest quantity of laths in her history. Forty million feet of lumber was utilized in lath making. During the first nine months of the year the production was shipped largely by vessels to New York. During the latter part of the year a large demand for laths arose from Florida, and cargoes are still being shipped there.

A Statement to the Subscribers of

The Bell Telephone Company of Canada

We have filed with the Board of Railway Commissioners for Canada new schedules of rates for exchange telephone service.

These schedules call for increased rates for service, and provide for some decreases. They correct inequalities in present schedules. They are designed to distribute the charges in the fairest possible way, according to the service rendered.

These new rates are necessary because—

[1] We must earn a reasonable rate of return on our property. The growth of the business within the last few years, particularly in the lower rate party-line residence service, has had the effect of materially reducing net earnings per telephone;

[2] Large additions to plant at prices practically double pre-war levels, have greatly increased fixed charges;

[3] The rate of depreciation adopted as a temporary measure after the hearings before the Board of Railway Commissioners, is now known to be inadequate to protect the investment.

The demand for telephone service is continuous. We are planning extensions and betterments for the next five years, which are estimated to cost $87,000,000.

To obtain from investors the money to finance this large programme, the credit of the Company must be maintained.

We invite your careful reading of the booklet "Telephone Service and Rates," which has been mailed to all subscribers. It shows the necessity for rates which, while safeguarding the community's telephone service, will produce revenues sufficient to pay proper wages to our 14,000 employees, provide a fair return to those who have invested their savings in our stock, and maintain public confidence in the stability of the enterprise.

THE BELL TELEPHONE COMPANY OF CANADA

Frank Munsey's Personality

Further Sidelights on Remarkable Career Give Inspiration and Encouragement to Young Canadians — Character, Good Habits, Hard Work Overcome Great Handicaps

By J. B. Maclean

I EXPLAINED last week that I had no intention at this time of writing anything concerning Frank Munsey, that great figure in the United States business, financial and journalistic world. I did hope some day to write a study, not a rush newspaper story, of his life that would be helpful to young men.

This is not an author's study, it is just a reporter's story, being put on the dictaphone at odd times amid many interruptions, many interviews during very busy days, with the managing editor pressing me for copy. I am depending on memory. It is, as I said, written in an effort to do justice to his memory, but mainly to interpret a type—of whom Mr. Munsey was one of the greatest examples—of public-spirited citizens of whom we have many in Canada and whom we misunderstand and abuse to their sorrow and our country's great disadvantage, for having made all the money they need for themselves, they would gladly devote a portion of their great organizing and constructive abilities to the national service.

As I write I have in mind and I see before me my own family of readers—the young business men, across Canada who follow these columns, I am talking to them.

In Mr. Munsey's career young men will find guidance, inspiration and encouragement, honesty, high purpose and service; it will teach what not to do quite as strongly as what to do. He had his weaknesses; so had the saints, but in all our years of close friendship I never knew him to do or suggest doing anything that was not strictly honest or honorable. His puritanical training made him an extremist in that respect.

He could be brutally honest in his conversation or in expressing opinions, but if he hurt anyone's feelings, particularly those of poor or defenceless persons, he was greatly distressed.

Had Strong Religious Convictions

His mind was a concentrated essence of generations of Puritanism, and he did not come out of the wilds of Maine until he was twenty-eight; too late to have the angles rubbed off. With all this, he was as simple, generous and gentle as a child. His successes never changed him. He took not the slightest credit for his achievements. God, not himself, was responsible. God, he said, had given him talents, which it was his duty to use. His conscience, associated with the terrific puritanical discipline which he subjected himself to at all times, could bring no other result.

A sidelight on his religious views is suggested by the statement made by Burbank, the plant experimenter, last week, that as a result of his researches he was a disbeliever in a future life. Munsey had no such doubts; the longer he lived the more firm became his conviction that we pass to a life hereafter for which our careers on earth are but a preparation. He was not wedded to any church. With his parents he was a Methodist in Maine. He was a friend of Rev. Dr. Hall, the Presbyterian divine, and became a member of his church in New York. In later years he grew to admire Bishop Manning, and gave $150,000 to the building fund of the Episcopal Cathedral in New York. It was from there he was buried. He had a great admiration for the Roman Catholic church in America because of the very thorough way it looked after its members; it seemed to get closer to the lives of the common people and to do more than do other organizations. I am not sure but what John Wesley was one of his religious heroes. On one occasion we went out to pay a visit to one of the few original plantations still existing in the south. It was there Wesley had once labored and our host's father had erected on the estate a fireproof building to house things of a local historical character. They included an extensive collection of Wesleyana which I recall interested him particularly.

Suiting the Man to the Job

Mr. Munsey once wrote in an article:

"You cannot get out of a man what God Almighty didn't put into him. You must suit the man to the job; not the job to the man."

His strict adherence to this theory was, I think, one of his greatest handicaps in building the great organizations his ability and driving force created. He sought too many stars from outside. Such men seldom shine in new surroundings.

Matters were not made any easier by endorsement of this aphorism by Senator Beveridge, who is not as practical as he is intellectual. The latter thought the above was one of the cleverest things he had ever read and had two copies beautifully illuminated and framed. One he placed on Mr. Munsey's desk, where it stood until I carried it off and it has hung in my outer office here for many years.

I never could convince Mr. Munsey that the right training and inspiration acting on a boy of good character and average intelligence would assure the boy a place in the higher ranks of life. I would quote examples but he would combat me hotly on it. He had a great admiration for and confidence in minsters' sons. Away back in the 'nineties he had studies made and, based on these, he printed a story in Munsey's, partly written by himself, quoting numerous examples to show that more successes in the business, professional and financial world came from ministers' homes than from any others. This he said was due to character, integrity and economical habits.

A number of writers quote from Mr. Munsey's autobiography. Mr. Munsey never wrote an autobiography. The nearest approach to anything of this sort was a short introduction to a book by Professor Lowell, Boston. In this he dealt with the characters of his parents and depicted the New England attitude on life. What he has written of his parents and their aspirations could be written with equal accuracy of himself. He was perhaps the extreme example of a type; of a stock than which there is no finer in the world. The same stock—the United Empire Loyalists—have been one of the most important basic factors in the sturdy character of the Canadian people which has brought them so often to the top throughout the world. Too often they are classified as Americans.

There were a number of Mr. Munsey's immediate ancestral connections among these Canadian Loyalists, such as the Dummers, Powells, Ridouts of Upper Canada and the General Isaac Winslow Clark connections in Montreal. Mr. Powell was a Chief Justice of Upper Canada.

His Story of His Parents

But, let Mr. Munsey speak for himself. He wrote thus of his parents:

"My mother's soul craved all that was best in life. God gave her imagination and ambition—not a frivolous ambition, but the kind that rang true to her Puritan ancestry—the ambition that made New England the dominating and leavening force of all America and the inspiration of the world. God gave her, too, a strong religious nature, and the instincts and character of the true woman, qualities that made her the devoted, loyal, and helpful wife and the loving, thoughtful mother, able, resourceful, an inspiration to husband and children alike; self-sacrificing, patient, sunny. Such was my mother."

"The greatest regret of my life, since my income began to mount, has been that my mother was not with me to make free use of it. It would have enabled her to do the things and have the things that her fine, true nature craved. With Saint Paul, she could then have said truly, that 'faith is the substance of things hoped for, the evidence of things not seen.' The dreams of ambition, in so far as concerns the opening up of the big world to her and to her family, would have come true. I know with deep appreciation what these dreams and aspirations must have been, for I am her son.

"Beyond so living and achieving as to reflect honor on one's parents,—so living and achieving as to meet in reasonable measure their ambitions and ideals for a son—there is little else one can do for them when death has gathered them into its fold. There are some small services, like carrying out their wishes with respect to persons and things,—some undertakings that they themselves would have put through, given time and means and opportunity,—that a son may put through for them.

"My mother in a womanly way had a well-defined and positive individuality; my father had a much stronger, more definite, more positive individuality. My mother was conventional in viewpoint and gracious in bearing; my father, while not ungracious, was rugged, clean-cut, and of the type that hews straight to the line. He was not a round-cornered man; he was distinctly a square-cornered man who stood rigidly for square-cornered honesty and square-cornered uprightness. Nothing so annoyed him as pretense and hypocrisy. Half-way-right things were not right at all in his eyes. His was a critical, painstaking, analytical nature,—but withal a sympathetic, generous, tender nature. He had in him little of the spirit of compromise. The best within his means was the only thing he would tolerate. It did not make him unhappy to go without the thing he would have liked to have. He preferred this to any compromise with his well-defined taste. And in the matter of his friendships, the same spirit ruled him, though he loved people and had essentially a social nature. Quality alike in people and in things, appealed to him. This was equally true of my mother, but she could compromise, as women can, while my father could not.

"In early life one accepts one's father and mother as just father and mother; that's all, and that's enough. They are something apart from other men and women. Their qualities of mind and heart are not analyzed or their abilities measured. I really never knew my father until I saw him in his last great battle. The issue was with Death. Though old in years, having to his credit eighty-six summers, he met it as he had met all other issues in life, with a will to conquer. I was then a mature man, as I watched for days by his beside, seeing and feeling that the end was not far off. In these trying, watchful hours I went back over my father's life and came to see him as I had never before known him.

"He came on the stage of young manhood when Maine was a semi-wilderness. There were few openings for advancement in the rural sections. Saving up money as capital with which to make a start in life was a slow business. How far my father had progressed in this respect when he married I do not know, but I do know that marriage put an end to it. From that time on it was always a question of making a good home for his wife and children. He could embark on no venture, could take no chances, and so he lived out his days and died without knowing—save for his consciousness—the quality of the faculties he had in him. The story of his life as I saw it deepened the shadows, and the more so as the thought clung to me that his harder life—his failure to reap the harvest of his excellent abilities—had perhaps contributed in no small measure to my own life-work."

This not only explains Mr. Munsey himself, but is typical of his style. It is representative of his editorials in the Sun, editorials that made it in the past few years the strongest force of the American press.

His Varied Successes

Mr. Munsey's successes, measured, not by money but by achievements, were marvelous. They were all won in highly specialized fields, in face of tremendous competition. They were based on no monopoly whatever. He was associated with no great corporations. There were no railroads, no oil, no motors, no gigantic financial corporation, which were the basis of other successes. The monopolies fought him. The strongly entrenched American News Company wanted no ten-cent magazine. They tried to ruin him. He beat them in their own field. The newsprint trust would have put him out of business if he had not bought the New York Herald with its paper contract. What he accomplished was without aid of friends, partners, or outside capital. He was never discouraged, never depressed, always straight, always economical, always tireless. With him it was always: "He seen his duty and he done it," and he did it with all his might.

He went into Wall Street. The interests rounded on him. They wounded him to the extent of $5,000,000, so the story goes, but he pulled out with $20,000,000 profit. He was an investor, not a speculator. He bought heavily of a few sound securities on the lower levels and left his money for a term of years. Time and again his papers pricked their bubbles and the speculative element feared and hated but respected him.

He started a grocery store to save a building investment in New London. The other merchants did not like him and cut prices and said slanderous things about him. He turned his attention to retailing and before he dropped his interest he had developed a new form of merchandising; had a chain of stores, sold goods cheaper than ever before and was pulling in $500,000 a year net profit.

Pledged Fortune to Save Depositors

He turned the Munsey Trust Co., Washington, into a bank. Once more he was slandered. He never wasted time on retaliation. He just went on building business in his own way. One night he got a hurry call from the Washington bankers. The situation was precarious. Five banks would have to close their doors next morning. Millions of deposits and one-fifth of the population were involved. They explained conditions and asked him to come at once. He said his bank could meet all calls and he was not interested. In consternation they appealed to him on the ground of public duty; ruin was facing thousands of families in the Capital. Again it was "He seen his duty and he done it." He took the midnight train and next morning he publicly pledged all his personal fortune as well as all the assets of the Munsey Trust Co. to help the people of Washington, and gave a guarantee against loss in case certain banks had to close their doors. The name "Munsey" spelled confidence and before long his bank had 30,000 new accounts.

In a similar way he pioneered to success in hotelkeeping, banking, office building and, finally in the most complicated of all businesses, publishing.

He made millions in real estate. The old A. T. Stewart Building, Washington, had been on the market for years. Someone brought it to his notice one day. He looked it over, studied the neighborhood, analysed the future, estimated its valuation and offered that sum. It was taken with alacrity. Within a month he was offered $4,000,000 more than he paid. He seldom sold. When his friend Louis Sherry, the restauranteur, depressed with domestic trouble, offered him his country estate at Manhasset, L.I., he took it at Mr. Sherry's price without seeing it. He knew he could trust him. When he investigated he came to the conclusion that Mr. Sherry had not asked enough. He told him so and enclosed a cheque for $50,000 more.

There was never any chance in his investments. They were made only after careful study.

Only Successful Newspapers Independent

The editor of our esteemed contemporary, The Toronto Telegram, who persists in looking at every business success through red spectacles, has fallen into a curious error. He greatly fears the further Munseyizing of the Canadian press, and his faithful henchman, Pro Bono Publico and others of the same lodge, are sending letters endorsing the Telegram in this view to a number of Canadian newspapers. It is alleged that some Canadian daily papers are suffering from a form of absentee-landlordism. That is, they are owned by financiers who support and pay their losses and dictate their policies to the detriment of the public interests.

Mr. Munsey's own view was precisely that of the editor of The Telegram. He held and said publicly that the only newspaper that was worth while was the one which was financially prosperous and was managed and edited by its owner; that a paper which could not stand on its own financial feet could not serve the public independently and fearlessly. He was very insistent on that. So was Lord Northcliffe, but not so his brother, Rothermere, and not so Beaverbrook. The press a few days ago reported that the last mentioned spoke with pride of the fact that on three important occasions he went to the Express office and sat in the managing editor's chair. Mr. Munsey was practically never out of that chair. Moreover, he himself wrote strong leading editorials. He personally directed editorial campaigns which in nearly every instance were successful. He won his greatest material political triumph, and was congratulated even by his opponents a few weeks before his death. Before he transferred the Herald to the Reids, if he were not in the editor's chair at midnight, Keats Speed, one of his chief lieutenants, would give him on the telephone a synopsis of the important news that had come in after he had left the office, and if necessary he would give instructions as to how it should be handled. Editorials were read to him. On occasions when the cables, or the Washington or Albany dispatches suddenly developed something of great importance, I have heard him call Wardman, one of the greatest of the younger generation of editors, out of bed at his home in the country, then call his great friend, the veteran E. P. Mitchell, who had been Dana's chief editor, and put each to work on an article. In half an hour or so they would be back on the lines again, alterations would be made and then the articles would be passed through their private telephone lines to Mr. Speed and others at the office and rushed into print.

Mr. Munsey did fall short of the ideals of veteran newspapermen like the editor of the Telegram and myself. He did not learn journalism from the ground up. He had not grown from the printer's case to the reporter's desk. He seldom saw the little sensational factors in a story. In the rush of daily journalism with perhaps half a dozen assignments to cover, the average reporter has to take chances on slips in his facts and in his composition. His stories may be put, as I am putting this, on a dictaphone and probably not be seen by him again until they are on the street. Mr. Munsey had never been a reporter and was a stickler for accuracy and good style. This sometimes brought him into sharp conflict with members of his staff who held contrary views.

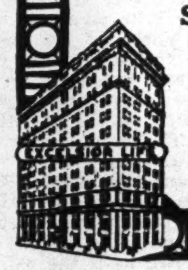
EXCELSIOR LIFE

INSURANCE COMPANY

Another Successful Year

An increased volume of business, a continuance of favorable mortality experience, very satisfactory interest earnings with a further reduced expense rate, evidence another successful year's operations.

	1921	1923	1925
Income	$ 1,756,468	$ 2,197,052	$ 2,720,826
Assets	7,180,176	9,043,277	10,992,576
Insurance in force	46,000,506	52,362,809	61,746,263
Surplus	855,159	1,292,784	1,596,947



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EXCELSIOR LIFE BUILDING—TORONTO

61

$385,700.00

Supertest Petroleum Corporation

Limited

7%

Cumulative Class "A" Sinking Fund Preferred Shares

Dividends payable semi-annually, May and November 1st, at par of exchange at any branch of the Canadian Bank of Commerce in Canada. Preferred as to Assets and Dividends. Redeemable as a whole or in part at any time upon thirty days' notice at $110 per share and accrued dividends or by purchase. The Company's Charter provides for a Sinking Fund for the redemption of the Class "A" Preferred Shares equal to at least 10% of the annual net earnings of the Company, after payment of dividends on both Classes of Preference Stock outstanding. Under existing Dominion Income Tax Laws, in the opinion of Counsel, these Shares are free from Normal Income Tax to residents of Canada.

CAPITALIZATION

	Authorized	Outstanding
Seven Per Cent. Class "A" Preferred (Par Value $100,00)	$800,000.00	$385,700.00
Six Per Cent. Class "B" Preferred	200,000.00	200,000.00
Common Stock (no par value shares)	25,000	25,000

THE COMPANY. Supertest Petroleum Corporation, Limited, organized under Ontario Charter, was formed for the purpose, amongst others, of acquiring and consolidating several individual Companies handling Supertest Petroleum products, such as gasoline, lubricating oils, etc. Supertest first became known some three years ago through the development of local Companies in different sections of the country, operating under one control. Since that time the growth and development has been consistent and profitable, until today, with consolidation completed, the Company owns and operates several well-equipped storage stations as well as controlling upwards of some sixty service stations located, for the most part, in the western sections of Ontario.

SECURITY. The Class "A" 7% Preferred Shares represent the premier security of the Company, being preferred both as to assets and dividends, and ranking prior to the $200,000 of Class "B" 6% Preferred Stock, which is owned by the old shareholders who originally started the business, and who accepted such shares together with a portion of Class "A" Stock, as payment for their properties, no cash consideration having been paid. The Company has no bonded debt or bank loans, it being entirely free of debt, with the exception of its current trade accounts and certain purchase money mortgages, amounting to $51,236.32, which will, it is anticipated, be paid off at maturity.

ASSETS. The surplus assets over liabilities amount to $519,096.36, being approximately $135 for each $100 of Class "A" Preferred Stock issued, exclusive of goodwill, trade marks and copyrights. Current assets to current liabilities are in the ratio of over three to one, and the net current assets represent over 54% of the Class "A" Shares outstanding.

EARNINGS. The combined earnings of constituent companies since their inception have been particularly satisfactory, showing in excess of 25% per annum on the paid-up capital. The net earnings, as certified for the six months ending September 30th, 1925, after liberal charges for depreciation, amounted to $44,361.64, and estimating the last six months of the year, should amount to $70,000.00 for the year. Net earnings for the months of October and November, as certified, considerably exceed the average estimate. With the new capital coming into the business, and the same average conditions prevailing, it is estimated that the earnings for the year 1926 should be in excess of $110,000.00, or more than four times dividend requirements on the Class "A" Preferred Shares to be issued and outstanding.

Year	No. of Stations	Sales	Year	No. of Stations	Sales
1923	3	$113,933.73	1925 (6 months)	67	$584,481.23
1924	16	342,475.15	1925 (12 months*)	67	1,000,000.00

(*6 months estimated)

MANAGEMENT. The management and control of this business will be in the hands of the same parties who have been responsible for its organization and successful development. Life Insurance, in favor of the Company, is carried on the lives of the principal officers.

PURPOSE OF ISSUE. The proceeds of $250,000 of this issue are to be used for the purpose of extending the company's business by opening up new wholesale and retail units, while the balance of the issue is being used for the acquisition of the properties of the constituent companies. No money is being drawn out of the business.

We offer the unsold balance of the above shares, when, as and if issued and received by us, subject to approval of our counsel, Messrs. Blake, Lash, Anglin & Cassels, as to details, and F. H. Curran, of Curran & Company, London, Ont., as to titles. The right is reserved to reject any or all applications and also in any case to award a smaller amount than is applied for.

Price: $100 Per Share.

Carrying a bonus of one share of Common with every two shares Preferred.

Fractional shares will be adjusted on a basis of $15.00 per share.

Dividends to accrue from date of Certificate.

It is the intention to make application to list these shares in due course on the Toronto Stock Exchange.

We recommend these shares for investment.

Orders may be telephoned or telegraphed at our expense.

MURRAY & COMPANY
INVESTMENT BANKERS
Metropolitan Building - - Toronto

HOUSSER, WOOD & CO.
LIMITED
INVESTMENT BANKERS
Royal Bank Building - - Toronto

These statements and figures are not guaranteed, but taken from sources which we believe to be reliable and on which we acted in purchasing these shares.

THE FINANCIAL POST

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JANUARY 29, 1926

NEED FOR AN ELECTION

BEFORE a large audience in the Labor Temple at Toronto, J. S. Woodsworth, M.P., told his listeners that the Labor members of the House of Commons were in command of the situation at Ottawa and could decide the fate of the government.

When a situation develops where a small group of members can dictate the terms by which the government of the country shall continue in office it becomes imperative that something be done to restore government by the people and for the people.

The Financial Post believes that the most direct and satisfactory way out of the present situation, which amounts to an impasse, so far as the conduct of the country's affairs is concerned, is to hold another election in the hope of a more decisive verdict and the return of a government with sufficiently strong backing that it will be able to get something done and not be forced to continually dicker with small groups representing special class and sectional interests.

A TIP TO ARCHITECTS

TO DESIGN its new head office building the Royal Bank is employing American architects, with Canadian architects as associates. This is hardly in keeping with the Produced-in-Canada sentiment. However, bank officials point out that they are seeking specialists who have demonstrated their capabilities in a practical way.

This situation raises the question as to whether American architects are the more capable or whether they have merely taken occasion to advertise their capabilities more effectively. Perhaps Canadian architects might do well to discard some of their professional ethics and follow the example of Canadian manufacturers in selling Canadian ideas and Canadian products to Canadians.

Canadians should not have to go to the United States and become Americanized in order to have their abilities recognized in Canada.

TOLERANCE REQUIRED

THE application by the Bell Telephone Company for a revision of its rates will be heard by the servants of the public — the Board of Railway Commissioners. The new schedule will be gone into thoroughly by experts on rate-making; moreover they will be experts acting in the public interest. Should the company's claims be just, the new rates will be put in force; if the claims are unfounded, the public can rest assured that they will not become effective.

However, the filing of the new rates with the Board will doubtless be the signal for attacks on the company on the platform and through the press, despite the fact that the Bell Telephone's record has been one of efficient service coupled with reasonable rates over a period of over forty years. The proof lies in comparison with other telephone services not operating under the aegis of the American Telephone and Telegraph Company.

Leaders in thought in the territory served by the "Bell" will be serving their own best interests in seeing that the company is not harassed by attacks from irresponsible individuals whose training and mental equipment render them incapable of even understanding the basis of telephone rates. If the company is not setting aside sufficient for depreciation, it will, in the end, result in higher financing for depreciation, it will, in the end, result in higher financing costs which can only be passed on to the users of the service in increased rates. The laborer is worthy of his hire. That hire can best be judged by the Board acting on the evidence of its experts, and not by those who, in declaiming the company, are simply "vote-catching."

GOOD ETHICS AND GOOD BUSINESS

AFTER inviting Canadian and British manufacturers to tender for pipe for the city waterworks department, Toronto's board of control decided to give the order to a local firm after it had had the privilege of considering a reduction in its price by $4,416 to meet the tender of an English firm.

It is difficult to conceive by what standards of ethics or of common sense such abuse of recognized business principles are perpetrated by men who are elected to protect the public interest. Can anyone imagine one of the controllers who voted to adopt this course handling his own business in this way? Not only has Toronto been put in the position of abusing the confidence of the British manufacturers who tendered, but these firms have been treated in such a disgraceful way that they cannot be expected to tender in the future; in which event the competing firms will get the business at their own price and the taxpayers will pay the bill.

The Financial Post believes that in public business as in private business the Produced-in-Canada slogan will only be effective when Canadian manufacturers are prepared to compete fairly on a basis of price and quality. If Canadian industry has not sufficient protection, the issue should be decided at Ottawa and not through abusing standards of business practice which have been established in the interests of all concerned as the result of many years of experience.

As a contrast to the policy of Toronto, the city of New Westminster is to be congratulated on taking the business-like course of awarding an order for $10,530 to an English pipe manufacturer when the tender was the lowest. The New Westminster council quite properly passed over a local tender at a much higher price.

THE SMALL TOWN MERCHANT

THE deputy minister of highways for Ontario recently made a public statement that should not be allowed to go unchallenged:

"It calls for no prophet," he said, "to discover that within a very few years the small towns in the province, because of improved highway facilities, will no longer be commercial centres, but contributors to the larger centres, and as far as they are concerned will be only residential boroughs. Commercially the small town in this province is doomed, and we might just as well accept that as a statement of conditions. The larger town is going to become more prosperous commercially, and I am satisfied there is no one factor which enters into the prosperity of the larger towns and cities of this province as does the highway."

This opinion shows an absolute ignorance of the recent trend of business, says Canadian Grocer. Investigations just conducted show that the cost of doing business by department stores has been steadily rising, and is now at a point where they cannot successfully compete with the small town merchant, who enjoys a lower overhead because of lower rent, taxes, and labor costs. The congestion in the city has forced department stores to buy expensive parking grounds adjacent to their stores, and the cost of doing business has risen the past year.

In marked contrast to this, a survey showed that country merchants had regained much of the trade they had once lost to the department stores. In order to hold their own with this new development, mail-order houses have established local warehouse shipping units, to cut delivery costs to a minimum, and are even opening retail chain stores on the outskirts of the cities to get rid of the handicap of downtown congestion.

Better roads have greatly increased rural production and made the farmer a better customer. Most town and country merchants have been quick to take advantage of the situation, and to-day many of the rural motor cars which previously took their owners to large city emporiums to shop now go no farther than the nearest town, for better stores, stocks and selling methods have made it unnecessary to go elsewhere. Better stores are in turn building up these towns and villages by employing more help and providing an atmosphere of aggressiveness and prosperity.

EDITORIAL NOTES

ONTARIO suffers from a coal famine and Nova Scotia miners are said to be starving because there is no market for the coal they mine. It should surely not be impossible to improve such a situation.

* * *

POWER developments and their accompanying industrial growth under Quebec's policy of Canada's power for Canadians are indicated in the increasing prosperity of the Lake St. John district. One evidence of this is the decision of the publishers of "Le Progres du Saguenay," to issue the paper bi-weekly instead of once a week. The Chicoutimi paper, which has been a pioneer in its field, is sharing in a growth to which it has contributed no inconsiderable part

Lower Rates Not Answer to Maritime Problems

Would Simply Mean That American Lines Would Also Cut Rates and Also That Traffic From U.S. Would be Discouraged —Appeal to Shippers Should be on National Grounds

By W. T. JACKMAN, M.A.,
Department of Political Economy, University of Toronto.

Much consideration has been given recently to the grievances of the Maritime Provinces, which are linked up with the problem of railway freight rates. Consequently, two aspects of this problem have been brought prominently to view. In the first place, the Maritime Provinces consider that the freight rates on domestic traffic between these provinces and the interior are too high and they desire to have them reduced to the basis which prevailed before the Intercolonial became a part of the Canadian National Railways. Concerning this matter there is nothing to say except that the rates in effect were established under the sanction of the Board of Railway Commissioners and, doubtless, they will be reconsidered by the Board in its general rate inquiry which is now going on. In the second place, the claim is made that, because the government has spent large sums on elevators and other port facilities at St. John and Halifax, a much larger share of the export trade in grain, flour, etc., should be carried to these ports by the Canadian railways, instead of sending the traffic to Portland or allowing it to go to the seaboard at New York. If the traffic were exported through these Canadian ports there would be an increase of business there, which would be a great benefit to the Maritimes in many ways. The claim is that it is better to keep Canadian grain in Canadian channels and thus develop Canadian enterprise than to allow Canadian exports to build up the ports of the United States. Too often this matter is presented as if the railway companies were responsible for the entire situation and could deflect traffic one way or another to suit their interests. Does anyone suppose that if the Canadian railways could keep all this grain traffic on their lines down to the Atlantic seaboard, and thereby secure a much larger amount of revenue from it, that this would not be done?

Facilities a Factor

What are the reasons why a large share of this export traffic goes to New York rather than that all of it should go through Canadian ports? In the first place, exporters of grain, etc., unless given specific instructions by the foreign importers, will naturally route their shipments by way of that port which furnishes the best facilities for securing ships to carry their cargoes. At New York there is the centre of the shipping for this continent. Tramp steamers and many lines do not now come to such small ports as St. John and Halifax because the possibilities of obtaining cargoes are so limited.

In the second place, not infrequently the British importer will give instructions to the exporter in Canada to ship his grain or flour via New York and thence by a certain line of vessels to the British port. This line of vessels will be chosen sometimes because the importer has a financial interest in it or in someone else who is a stockholder in it, and sometimes because his long experience with good service has attached him to that line. If the exporter did not follow such routing instructions he would cease to do business with this importer. What is true of the British Isles is true also of other countries which can be reached most satisfactorily through New York.

In the third place, there is less danger of congestion of traffic by the New York route. From Buffalo the New York Central Lines have a six-track road to New York and the shipper from Canada can thereby get access, if he wishes, to the very heart of the city. If, by any chance, the main line should not be the most satisfactory, he can ship by way of the West Shore or the Erie or the Lehigh Valley and get access to New York harbor. The storage facilities too are much greater at this premier port. On the other hand, as we have known in recent years, the elevator capacity of the Bay ports and Montreal has not been sufficient to take care of the heavy autumn traffic and the capacity at Halifax and St. John would be still less adequate were all the traffic carried down there over a much longer route.

In the fourth place, because of the abundance of the shipping facilities at the large port, the Canadian exporter can frequently secure special concessions in ocean rates which he cannot afford to miss, and business is carried on with little regard to the nationality of the ports —in fact, it must be pursued in this way when competition is so keen in the export trade.

Effect of Rate Cuts

There is at present a strong agitation to have the railway companies lower their rates on export grain and flour from Fort William and Port Arthur to the Maritime ports in order to hold, if possible, all this export business from New York and draw it to Halifax and St. John. Let us see what would be the outcome if this course were adopted. Under existing conditions the export rates are made such that during the season of navigation Montreal is an active competitor of New York for the export trade of the United States; in fact, Montreal is the greatest wheat export port on this continent. This rivalry on the part of Montreal brings a vast amount of tonnage from the United States over the lines of the Canadian railways. But if the Canadian railways were to reduce their rates from the head of the Lakes, or from Bay ports, or from Chicago, to the Maritime ports in order to draw all the traffic through the Canadian channels, and thus disorganize the export rate structure which has been built up by the co-operation of the United States and Canadian railways, the inevitable result would be that the United States railways would also reduce their export rates from Chicago and Buffalo.

This would have three effects: first, all of the United States traffic would be carried by United States railways to their own ports; second, the Canadian railways would be deprived of this profitable business from the United States, which now helps to make up for the inadequacy of the Canadian traffic to the needs of our two railways; and, third, under the lower railway rates of both countries, which would be derogatory to all the participating railways with advantages to none, the movement of traffic would be much the same as it is today, and the situation of the Maritime ports would not be in the least degree improved.

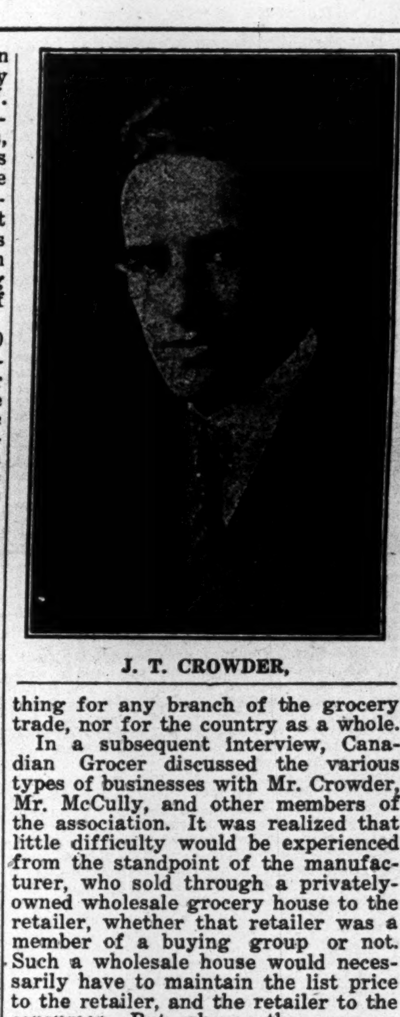
One Sound Suggestion

What, then, can be done for the Maritime ports? We have heard from several prominent sources recently that the central and western provinces must take an interest in the welfare of the people in the provinces by the sea if we are to avoid an estrangement which would be detrimental to the entire country. The interests of the Maritime people and of the people in Ontario and the prairie provinces are identical so far as the building up of the country is concerned. If the business community are going to continue to act from purely economic motives, traffic will follow the course which we have outlined above, that is, it will go where the cheapest rates and the best service are to be had. On the other hand, if the people in the interior provinces, in addition to valuing the friendship and encouraging the business enterprise of the Maritime provinces desire to cement these provinces more firmly with the others in the confederation, they can do so by relaxing somewhat in the application of the immediate economic motive in business. If the shippers who are sending commodities abroad will forego the better service which is frequently possible by way of New York and will route a substantial portion of their shipments through the ports of Halifax and St. John, a new interest would be aroused in the Maritime provinces on behalf of the maintenance of the integrity of the Dominion, and the renewed and stronger pulse of business in those provinces would arouse them to still greater enterprise and initiative.

It is along this line that their welfare must be promoted, rather than by a reduction of railway rates. The fact is that railway rates in Canada are now the lowest in the world and nothing could be gained—but much would be lost—by forcing still lower export rates on the Canadian railways in the endeavor to galvanize the two Maritime ports into greater activity.

Price Control and the Chain Store

By B. T. HUSTON, in Canadian Grocer.



J. T. CROWDER,

At the conclusion of the address on price control in Toronto recently a resolution was presented by W. J. McCully, of Stratford, and seconded by John Muir, of Niagara Falls, putting the meeting on record "as fully endorsing the principle of price maintenance as a fair trading policy," as outlined by J. T. Crowder. It was unanimously adopted, and thus the first big gun was fired in Eastern Canada in the attack on price cutting of proprietary or branded lines of food products.

There were between 350 and 400 retailers, wholesalers and manufacturers in attendance. Mr. Crowder traced the progress of the crusade he has been waging on behalf of price control of branded lines from the inception of his journey from British Columbia in September last up to the present time. He told of the cut price conditions with which the trade in British Columbia had to contend, and how some lines in both the food and drug trade there had been put on the control plan a few years ago. He presented statements from retailers, wholesalers and manufacturers, indicating the satisfaction of the trade in the plan.

He also dealt with the legal aspect of the plan and quoted various authorities who gave their opinion that his policy was quite within the law, that no action could be successfully taken against those behind it unless something was done to the detriment of the consuming public. This is dealt with elsewhere.

In effect, Mr. Crowder's plan is to get manufacturers to individually put their products on the price maintenance basis. Also to so organize the trade that if one merchant cut the established price of the manufacturer to the consumer, he would be immediately cut off from getting all the goods of all the manufacturers in the organization. Only in this way did he think that price cutting on the established brands could be stopped. This is exactly what has been accomplished by the P. A. T. A. (The Proprietary Articles Trade Association) in Great Britain. He showed that many merchants were selling goods at prices actually less than invoice cost without taking into consideration anything for overhead expense. Competition had been so keen along this line and certain products had been pushed down to such a low figure, that retailers were taking considerable losses. This was happening in more lines than one—prices being reduced until the rock bottom figure at which they stayed had been reached. With so many products selling on this basis, a good many merchants could not make a net profit. They were going into bankruptcy, which was not a good thing for any branch of the grocery trade, nor for the country as a whole.

In a subsequent interview, Canadian Grocer discussed the various types of businesses with Mr. Crowder, Mr. McCully, and other members of the association. It was realized that little difficulty would be experienced from the standpoint of the manufacturer, who sold through a privately-owned wholesale grocery house to the retailer, whether that retailer was a member of a buying group or not. Such a wholesale house would necessarily have to maintain the list price to the retailer, and the retailer to the consumer. But where there was a group of merchants who maintained their own wholesale house which sold to them on special terms, how would control affect them? There is at least one organization that invoices the goods to the retailer at the same price as the wholesaler pays. At the end of the month, each retailer pays his proportion of overhead expenses based on the amount of purchases he made that month.

Mr. Crowder felt that if a manufacturer put his product on the maintenance plan such a wholesale house would be able to purchase the goods, but would have to invoice them at the list price. He thought, too, that any institution performing the functions of the jobber should be able to buy the goods as long as they were resold at the price stipulated.

There was nothing, he maintained, to prevent chain stores buying such goods direct, provided they sold them at the controlled price. There would be other goods, such as the various bulk lines the grocer handles, also many manufacturers' lines which would not be sold in this way. Chain stores and others wanting to cut prices could cut on these, but he felt that the well-known branded lines of old-established manufacturers should be sold in such a way that the prices could not be cut. This, he said, would give the chain stores, as well as others, a net profit—something they were not getting on many of these lines to-day.

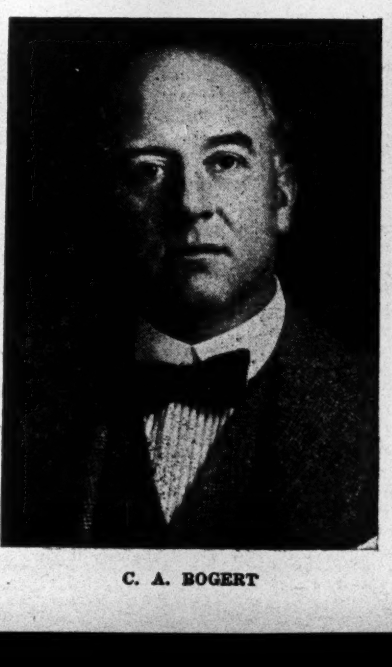
There would also have to be adjustments in connection with retailers on preferred lists of manufacturers. He referred to some manufacturers selling certain stores direct "accidentally" and not selling others with a bigger buying power. He did not think that that was fundamentally sound. Manufacturers, he thought, too, might have to take into consideration the buying power of the independent merchants as a whole as opposed to the chain stores in deciding on their policy. Was the business of a few chains, representing less than five per cent. of the business of the country, as valuable as that of the business of the independent merchants representing more than 95 per cent.? And he is a chain store man himself.

Mr. Crowder made it quite plain that it was up to each manufacturer to decide on his own selling policy.

If the manufacturer had a quantity selling price and allowed the chain store or any other big store who bought in large quantities a special discount, that was his privilege. There would be no attempt at coercing him to discontinue his policy. The retail merchants were simply asking each individual manufacturer to maintain his price from wholesaler to retailer, where the wholesaler was used in distribution and from retailer to consumer. The object of the whole plan was to establish a fair trading policy, so that the merchants would have a fair margins of profit on each of the lines sold.

A Banker Becomes the Leading Figure of Golfing Fraternity in Canada

A banker has become the leading figure in Canadian golf. C. A. Bogert, vice-president and general manager of the Dominion Bank, has been elected president of the Royal Canadian Golf Association. Mr. Bogert has always regarded sport and recreation as having a definite place in the life of a busy man; he considers that this is merely good business. He agrees with those who think that a man should not give up business to play golf, but he would doubt the policy of devoting so much time to business that golf or other sport is crowded out altogether. It is a man's duty to himself to keep fit if he would do his best work in the business world in the opinion of Mr. Bogert, who in his earlier years was an active member of the Argonaut Rowing Club and is now an enthusiastic—and at times most proficient—pursuer of the elusive white rubber ball over the greens and fairways of the links in his home and other cities including those of the Toronto Golf Club, of which he is the president.



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ONE of Canada's biggest mercantile leaders asked this question of the general manager of the leading industrial corporation in its field. They met at the annual meeting of one of the banks last week.

You hear The Survey talked about wherever business leaders congregate. And in every case the feeling towards the work is one of commendation.

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No one type of investment can possibly suit all cases. Investors have needs which are widely varied.

Some who have not made specialized study of investments desire securities which will need a minimum of attention and which will afford at the same time, the maximum of safety—investments which will never occasion a moment's worry, and which will retain their dependability.

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Investment Securities

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

National Drug

J. E. MacF., Merritton.—I would be very pleased if you could give me any information of the Na Druco Company or National Drug and Chemical Company of Canada's stocks, and the value of the common stock.

There seems to be a very limited market for the shares of National Drug and for the Na-Dru Co. Brokers state that the National Drug's ordinary shares par value $100, are offered on the market at $12.50 and the 7 per cent. preferred is being bid for at $80 a share. One very extensive trader told us that he never remembered having seen a share of the stock change hands on the market.

Big Chief Oil

V. E. McS., Halifax.—Will you kindly let me have your opinion of the Big Chief Oil Co., Ltd., an advertisement of which appears in the January 8 issue of The Financial Post?

E. H. S., Dunham.—A client of ours has received a circular re Big Chief Oil, which we are taking the liberty of sending you herewith. It seems to us that the company has an extremely large capital.

Big Chief Oil proposition is an out and out oil gamble. The company is drilling in the Turner Valley field south of Calgary. There is already one large producing well and a couple of small ones in that field. Big Chief is located in a position in the anticline where it has a chance to be a success. It will have to go deeper than the present producing well.

The company is rather highly capitalized, but they only make a small assessment and defer further payments until the company brings in a producing oil well.

C. P. R.

Z. M., Ontario.—I bought 130 shares C. P. R. common some 10 or 12 years ago and have them yet. Is there any chance of a melon such as was distributed to shareholders some 15 or 20 years ago being again handed out to shareholders? Is the stock likely to come up to $200 within the next few years? Would you advise selling C. P. R. at present prices to buy Brompton Paper, Imperial Oil, Atlantic Sugar, International Nickel and Bell-Telephone?

We would suggest that if 130 shares of C. P. R. common represent any major portion of your holdings that perhaps you have concentrated a little too heavily on one stock and should have a much more diversified holding. We think it is probably safe to say that it is unlikely that there will be any melon-cutting in that stock for some considerable time. In regard to selling C. P. R. and buying Brompton Paper, Imperial Oil, Atlantic Sugar, International Nickel and Bell Telephone and Noranda, we would suggest that Bell Telephone is the most sound stock which you have named, the others being more or less speculative.

Mortgage Discount

G. H. D., Winnipeg.—I would be glad to have your opinion on Mortgage Discount, Ltd., of your city. I hold stock, but will withdraw if you consider it too speculative.

Mortgage Discount and Finance, of Toronto, is a well-handled second mortgage company that has been making good progress. The company is gradually working into a fine position and besides earning dividends on its preferred stock has been able each year to set aside a substantial sum for reserve. It is the intention of the company to build up to a very strong reserve position before the question of common dividends is considered.

Dryden Paper

W. J. C., London.—I would be pleased to have your recommendations of some Canadian stocks for speculative investment, and your opinion of Dryden Pulp & Paper.

Dryden Paper looks to have speculative possibilities. The latest reports are that the earnings of the company are on a much better basis, and for some time now have been showing a net profit. The better buying power of Western Canada and the improved business outlook is a favorable factor for the company. The company supplies wrapping paper chiefly to the Western Canada market where it has advantages over the Eastern capacities on account of the freight differentials. The improvement in retail trade on the Prairies has increased Dryden sales.

Western Grocers

R. R., Edmonton.—As a reader of your paper I would very much like your opinion on Western Grocers, Ltd. Would you consider it a good buy as a speculation, preferred to-day at 55 and common 7? I have been buying preferred and am considering buying a little more.

Western Grocers, we believe, should make a reasonably attractive business man's speculative investment at the prices you mention. The re-organization of the company's finances, as proposed, would seem to be a step of wisdom in view of the changed conditions in Western Canada. The company's ability to pay dividends on its stock in the future will, of course, depend on future business conditions. In this respect the outlook is encouraging, as you are no doubt aware of the better business situation throughout Western Canada following last year's very satisfactory crop. On the other hand there is every evidence that there will be very keen competition for business in the grocery field, with the chain stores and groceterias playing an important part in supplying public demand at close prices.

Canadian Machinery

W. S., Toronto.—We have an inquiry from a client regarding the 6 per cent. first mortgage bonds of the Canada Machinery Corporation. Recent information which we have is very limited.

As the result of operations for the year ending January, 1925, the Canada Machinery Corporation, after paying the interest on its 6 per cent. first mortgage bonds amounting to about $18,000, showed a loss for the year of nearly $20,000. Thus the company failed to earn its bond interest by some $2,000. The statement issued at that time showed a deficit in the profit and loss account of about $183,000. Current assets were given at $542,000 and current liabilities about half that amount.

T. H. Watson, president of the corporation, in a recent statement explained that the volume of business in 1925 on the machine tool field had been rather disappointing, but the outlook for 1926 was somewhat more hopeful in view of the fact that good crops had increased the purchasing power of the people. However he took the view that so far as the machinery industry was concerned it was highly important that the tariff situation should be stabilized and that until a fair measure of protection was assured there was little hope for a return of prosperity.

Rosedale Syndicate

Reader, Mount Forest.—Would like information on Rosedale Syndicate, Governor's Bridge area, promoted by W. N. McEachern & Sons.

Rosedale Syndicate is being promoted by W. N. McEachern and Sons, and applies to a property with about 6,100 or 6,200 feet on the north end of Rosedale. The syndicate is composed of 250 shares which have been sold at $1,000 each. Out of the first returns to the syndicate the funds placed with the syndicate for shares will be returned and later whatever profits are made will be divided 75 per cent. to those financing the syndicate and 25 per cent. to the promoters.

Dominion Glass

Interested, Ontario.—At various times during the past year rumors have appeared in financial paper ascribing the gradual drop in the price of Dominion Glass common to keen competition which had developed. At the recent annual meeting the president stated that inefficient plants were to blame for lack of profits. Yet they had been making more money with the same inefficient plants in preceding years.

We do not recall the president of the Dominion Glass Company stating at the recent annual meeting that inefficient plants were to blame for the lack of profits, but we do remember the statement by Sir Charles Gordon that the volume of business done by the company was about the same, but that lower prices had resulted in lower earnings.

The manufacture of glass in Canada is an industry solely dependent upon tariff protection. Consequently the industry looks only to Canada for its business and there is, therefore, only a definite amount of business to be distributed amongst various companies.

The Packing Companies

L. S., Stratford.—I am holding twenty-five shares of Davies "A," and twenty-five shares of Gunn's preferred. What is the outlook?

In the case of the packing companies there has been a distinct improvement in the outlook. As we have previously pointed out in The Financial Post, Canada has been recovering her market in the British bacon market. This market was lost during the war when the emphasis was on quantity rather than quality of production, and when Canada's pork products were pooled with and marketed with those of the United States. After the war, Denmark was in a position to put a high class product on the British market and Canada is just now winning back her position. In other respects also the industry is recovering from the effects of the collapse in the market with the passing of war time conditions. These stocks of the Davies Company and Gunns, Ltd., have attractive speculative possibilities based on improvement in the industry—if it continues as the prospects indicate.

Security Life

Inquirer, Guelph.—A friend of mine holds some Security Life Insurance Co.'s stock. In what condition is the company? She advises me that a party in Montreal is urging all the shareholders to attend the annual meeting on the 9th of February. Any information you can give me will be appreciated.

About two years ago, the Security Life Insurance Co. was completely reorganized and a new president and a new general manager appointed. Under the new control a serious effort has been made to put the company on a stable basis.

Quite a bit of unsatisfactory insurance has been eliminated and the personnel of the head office and field organization has been changed considerably. The directors now believe that the reorganization has proceeded to the stage where the company will begin to make real progress and in fact during 1925 it consolidated its position quite satisfactorily. It ended the year with about $9,000,000 of business on its books.

We are informed that at a meeting of the directors held just before the close of the year, some $36,000 of new capital was invested in the company and this may be taken as evidence of the faith of directors in the enterprise.

There has been a continuation of attacks on the company by some of those formerly associated with it, but shareholders and policy holders would probably be very well advised to give their support to the new management, which has been cleaning up the company's affairs and which should be given every opportunity to demonstrate its ability to handle the problems before it.

Bruck Silk Mills

Inquirer, Oil Springs.— Would like your opinion of the 6½ per cent. first mortgage sinking fund gold bonds of the Bruck Silk Mills.

Since the inception of the Bruck Silk Mills in 1921, the earnings have been in excess of three times the interest requirements of the bond issue which was recently offered to the public. The plant also has been operating at capacity since its inception and the purpose of the recent issue was to retire $200,000, 7 per cent. first mortgage bonds which were outstanding and to provide additional buildings and machinery for expansion, which in turn should result in increased earnings. The issue will mature in twenty years and the sinking fund requirements will retire about 30 per cent. of the issue of bonds by that date. In addition, the bonds carry a certain bonus of common stock, which gives a certain speculative value to this investment, which we consider to be a purchase for a business man.

Canadian Cuban Sugar

P. B., Moncton.—Will you kindly let us have your opinion of Cuban-Canadian Sugar. Do you consider its management capable, and what do you think of its prospects for the coming year?

We believe the mangement of Cuban-Canadian Sugar to be capable—the reason for lack of success is simply due to a world over-production of sugar. The company is interested only in the production and manufacture of raw sugar in Cuba; all raw sugar producers, including this company, have not been faring well. During 1925 the increase in sugar production was considerably over the world demand, and although consumption mounted, it did not rise high enough to absorb the total production.

The future of the company depends entirely upon the price at which raw sugar changes hands. There are certain indications which augur that the market for raw sugar will be broadened during the present year. However, as far as we can learn from sugar men, there does not appear much chance of any radical increase in prices. In other words, we have obtained no information which would lead us to believe that there would be any early rise in the market price of this stock.

Whalen Debentures

D. W. Richard, Saskatchewan: As a subscriber to your splendid paper, I would be very grateful if you would be so kind as to inform me as to the present and future position of the holders of second mortgage debentures of the former Whalen Pulp and Paper Co.

Whalen Pulp and Paper Mills fell down on its first mortgage bond interest and as a consequence, the first mortgage bondholders foreclosed their mortgage. At the public auction of the property, there were no purchasers willing to buy the company for an amount exceeding the claims of the first mortgage bondholders. Therefore, the entire assets of the undertaking passed into the hands of the bondholders, who are now operating it.

From this you will see that the debenture holders of the former Whalen Pulp and Paper Mills have no legal or moral claim on the new company whatever.

Our own opinion is, however, that the interests financing the new company may possibly give the holders of the second mortgage debentures an interest in the re-organized company. We have been unable to obtain any confirmation of this, but, if this be so, you will probably hear about it within the next week or two.

Never Lost a Dollar in Canada

Editor, The Financial Post:

I am enclosing you a $5.00 note and a 25-cent note for renewal subscription to your Financial Post.

I find your paper a valuable one to me, as I have had several investments in Canada for many years and have not yet made a bad one. I pass your paper on to friends.

I have great faith in Canada and have sent out all the capital that I have had to invest. There are fine opportunities in Canada if one will invest in the right securities.

—AN ENGLISH INVESTOR.

Penniless Immigrant Who Has Made a Fortune of $100,000 in Alberta

"One of the best volunteer publicity agents that Alberta possess is William Huculak, of Whiteford, says the Edmonton Bulletin. Twenty-two years ago he arrived in Alberta as one of the usual penniless immigrants and made his home in a dug-out burrowed in the ground. Now he's worth about $100,000 and lives in an electric lighted house that resembles the 'House of Parliament for size,' said N. M. Ostryzniuk, in discussing Mr. Huculak's order for two more farm hands.

"He already has seven men working for him," said the colonization man, "and is farming eleven quarter sections. Every year he buys another one and pays cash for it. When he came to Alberta he worked out for $5 a month."

Mr. Ostryzniuk went on to say that the prospertous Albertan visited his native land last summer; there he preached the gospel of Canada, telling people that they could do as he had done if they worked and did not squander what they earned.

As a result of this volunteer work Alberta obtained a considerable influx of thifty Ukranians, and they are still coming with the intention of emulating the Whitford farmer.

POST-Scripts

A MAN'S wife is often a help to him in his career and a general life insurance agent has hit on a novel but doubtless effective method of stimulating that wifely interest which often means so much. He has mailed the wife of each of his agents a single silk stocking. When the husband produces $5,000 of new business she will get the other stocking. For every additional $5,000 she will get another pair. "The scheme is a great one," says the Great West Life Bulletin, "provided she hasn't a wooden leg."

AFTER dispensing a generous portion of statistics during his address to the Toronto Canadian Club on the benefits of simplification of practice in the elimination of waste, Ray M. Hudson, one of Mr. Hoover's right hand men in the Department of Commerce, Washington, expressed a hope that he was not stunning his audience with figures. He then told the following little story to illustrate the relative value of numbers.

A distinguished professor delivered an address on the ravages of time as seen in the erosion of the earth's surface as the result of our rapid journey through space. He expressed the fear that should this continue the effects might be such as to bring disaster in the course of 250,000 years or so.

"How long did you say?" asked one of his listeners in a voice which indicated sudden realization of a serious situation.

"Two hundred and fifty thousand years," impressively repeated the professor.

"Oh!" came the rejoinder in a tone of relief, "I thought you said one hundred and fifty thousand years."

HANSARD is not entirely a record of statesmanlike oratory. There is much bright repartee and much sheer drivel in it. There is plenty of fairly juvenile, time-wasting comment on things of little importance. Hansard is not uninteresting.

It offers amusement, such, for instance, as this extract from the speech of H. A. Mullins, a western cattle merchant who evidently thought little of W. T. R. Preston as a cattle expert. He said:

Mr. Speaker, that good, kindly soul called W. T. R. Preston, came into my constituency during the last campaign to talk on that sacred business, the cattle trade. That good, saintly, old man sang when I was a boy in Sunday School:

Bringing in the sheaves,
Bringing in the sheaves,
We will come rejoicing,
Bringing in the sheaves.

And on Monday the paper said that Mr. Preston was bringing in doubtful voters in the constituency. He endeavored to talk on that sacred industry, the cattle trade, and how he was going to place our cattle in the markets of the world. Fancy a man like that discussing a sacred proposition like the cattle trade!

MR. RINFRET, Quebec, Liberal, provides his share of the fun. Read this little interchange:

MR. RINFRET: The hon. member did not realize when the applause rang out during his speech that it was not a tribute to his ability as a speaker, but it was a half-restrained mark of contentment, a repressed outburst of joy at the slurs and mud that he was trying to cast upon us.

Mr. SPEAKER: I must ask the hon. gentleman to withdraw that expression. No. hon. member can be accused of throwing mud on another hon. gentleman.

Mr. HANSON: Nor is it in order to call hon. members fanatics.

Mr. RINFRET: I am willing to withdraw the expression "mud."

Mr. SPEAKER: The hon. member must withdraw the expression unreservedly.

Mr. RINFRET: I withdraw the expression, Mr. Speaker, and leave hon. members to infer the appropriate parlimentary expression which comes nearest to it.

Mr. SPEAKER: I would ask the hon. gentleman to withdraw his expression unreservedly.

Or this:

Mr. RINFRET: Mr. Meighen objects too much to the tendencies of our leader to have gone to the east by way of the United States. I believe my right hon. friend went through the province of Quebec in his private car.

Mr. MEIGHEN: I do not have any private car.

Mr. RINFRET: Perhaps through the air, through one of his speeches.

Mr. Meighen: I do not have any private car.

Mr. RINFRET: Well, some car. He made it as private as he could. I suppose he pulled down the blinds very carefully. Whether because he did not want to look out or because he did not want other people to look in, is a fine distinction I will leave for the hon. member for West Calgary (Mr. Bennett) to decide.

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Current Opinion

TOO MANY LAWS

Le Droit, Ottawa: Most governments have been seized with a mania for multiplying the laws of their country, their province, their city, and even the municipal regulations of the smallest parish.

The Public Opinion of Worcester, R.I., assures us that latest reports from forty states of the American republic indicate that 13,000 new laws were adopted in the course of the year that has just ended.

Thirteen thousand laws. As a confrere observes, there must be fashions in laws as in clothes and hair-dressing.

Of this fantastic number, how many are worthless and merit only ridicule? And it is these last which accustom men to the violation of law and which lead them, little by little, to violate the best laws. It is better to have no law at all than to have a bad one.

A DANGEROUS FACULTY

Grain Trade News:—One of the most dangerous faculties of the human mind is the ability to multiply. It seems much more agreeable to most people to multiply and to add than to divide and subtract. The governor of North Dakota has just told a convention at St. Paul that the St. Lawrence Deep Waterway would save North Dakota $6,000,000 a year in grain freights alone. This is an exercise of the pure disembodied spirit of multiplication, which has soared high above all the minus quantities which encumber the path of economic progress. Among the most important of the considerations left out of account in this and many other discussions are the conditions which must necessarily govern ocean traffic. If some enthusiastic multiplier would figure the added cost of concentrating on any one route all the ocean tonnage necessary to move the bulk products of the central districts of North America he would perform a very valuable service.

TRADE REPRISALS!

Vancouver Sun: Solemnly, State Senator William L. Hennessy of Boston got up in the Massachusetts Senate recently to move that "trade reprisals" be set up against Great Britain for the "financial hardships" imposed by the alleged rubber monopoly.

Trade reprisals?

What does Senator Hennessy call the tariff wall that United States has been piling up against the rest of the world for the past four years?

What does he call the Fordney Bill that practically bars Canadian wheat and Canadian cattle out of the United States?

It is of no use for United States to pretend that she is just beginning to reluctantly adopt a defensive attitude in the trade war. The fact is that she has been on the offensive in that war for years.

So far as Canada is concerned, what we want with United States is a complete lowering of economic barriers, a reciprocity of trade, not a barrage of big tariff guns with political Maxim silencers on them.

But if there is going to be any talk of trade reprisals, that talk should begin on this side of the line, not the American side.

"Fills a Need"

A Saskatchewan investor, renewing his subscription to The Financial Post, writes:

"I think your paper fills a great need."

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Booklets
That Will Interest You

The February number of Investment Securities contains a list of presently-available securities of various types and maturities with attractive yields (in some cases over 7%) . . . . . securities that we recommend as sound investments.

A new edition of our booklet, "Government Bonds for the Canadian Investor," revised to the end of 1925, is now ready for distribution.

In addition to giving particulars of Canadian Government issues and of such foreign government obligations as we recommend, it contains interesting and pertinent comments on the economic conditions of the countries concerned.

We shall be glad to send this booklet upon request, together with our monthly booklet "Investment Securities". Write our office nearest you.

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News of the Investment Market

BOND SCARCITY DRIVES CAPITAL TO FOREIGN FIELD

Highly Competitive Bidding on Such Issues as Are Coming Forward

With very few new issues coming forward, either in the municipal or industrial fields, bidding for offerings that are being placed is highly competitive. As a natural consequence, a very narrow margin of profit is being realized. There is no appreciable change in price levels. If anything, there is a trend towards firmness.

Considerable interest is being shown in the Rheinelbe Union offering which is the first German industrial issue ever participated in by Canadian investment houses. A considerable volume of foreign bonds and stocks are being marketed continuously in Canada, but these have been government offerings in most instances. As predicted several months ago, European industrial organizations are bidding for foreign capital in a large way, especially in the New York market, and frequently fairly substantial blocks find their way into Canada. The market is rather favorable towards these issues owing to the large volume of funds available for investment and the small number of domestic issues coming forward. The attractive yields offered are, of course, an important consideration.

Continued strength, revealed by a tendency to firmer prices is the outstanding feature of the New York market. Long term money rates at the beginning of the year are at about the same level as a year ago, judging by the average yield of high grade bonds at current market prices.

Improved Earning Power

An important factor affecting the demand for high grade corporation bonds, especially in the New York market, is the improved earning-power of the borrowing corporation. According to an article published this week by the Guaranty Trust Company, of New York, the yield offered by the highest grade bonds, the prices of which are affected chiefly by money rates, has been so low that investors throughout the year have been searching the market for bonds which, selling out of line with other comparable issues, offered a higher yield without corresponding risk. This necessitates careful analysis of the earning power of a corporation and sound judgment in selecting an issue. In the year of generally increasing earnings, such as characterized 1925, those who have searched have been fairly well rewarded.

The bonds that had the largest price appreciation during the year have been convertible bonds, whose conversion privilege became valuable through increased earnings, and bonds that were obligations of corporations having a prospect of larger and more stable earnings. The bond with a maturity of from five to fifteen years and selling at a discount has been in great demand because there is a probability that it will show little recession in price if money rates go to higher levels, thus protecting the principal of the investment.

Public Utility Earnings

JAMAICA PUBLIC SERVICE

Nov.	1925	1924	Increase
Gross earn.	$53,966	$48,371	$5,594
Oper. exp. and taxes	30,243	32,041	*1,797
Net. earn.	$23,722	$16,330	$7,392
Int. charges	6,309	6,631	* 321
Bal. for res., retire. and divid.	$17,412	$ 9,698	$7,714
12 mos. end. Nov.—	1925	1924	Increase
Gross earn.	$619,079	$577,179	$41,900
Oper. exp. and taxes	391,243	390,053	1,189
Net earn.	$227,836	$187,125	$40,710
Int. charges	79,593	76,543	3,050
Bal. for res., retire- and divid.	$148,242	$110,581	$37,660

Woman Who Sells Bonds to Women

MISS P. G. McNAIR,
who is in charge of the Nesbitt, Thomson and Company's Ladies Department. She is one of the first women in Canada to sell bonds, and in her new office will handle the investment problems of women clients of her firm.

JUNIOR BONDS FOR BUILDING CONDEMNED

Builders Find That They Are of Doubtful Worth in Payment to Contractors

The practice of helping to finance the erection of buildings by advancing junior bonds to the construction firms who in turn pass these on to the subcontractor and so on, was severely condemned by speakers at the annual convention of the Association of Canadian Building and Construction Industries in session in Toronto this week. It was said that this type of payment had been found very valuable in the building boom of the past year in the United States, but that the bonds were found to be of doubtful worth when the sub-contractors or supply firms attempted to realize upon them. Such paper was said to be held at as low as 25 per cent. of its face value.

In opening the discussion, C. Blake Jackson, of Toronto, stated that the junior security method of payment was a product of war time conditions, when money on first mortgage was difficult to secure. He intimated that many buildings were financed in this way which would otherwise never have been built, and that this was one of the big factors in the building boom in a number of United States cities. "Supply houses tumbled over themselves to take this kind of paper," he stated, "but it was, in many instances, found to have little value." The speaker indicated that general contractors in Toronto might obtain millions in contracts tomorrow by accepting securities of doubtful value which he would have to pass on to the sub-contractor and supply houses unless the contractors were strong enough to carry them.

Syndicate Offering New Hospital Issue

From Our Own Correspondent.

MONTREAL. — The syndicates composed of H. B. Robinson and Company, Credit Canada, Credit Anglo-Francais, Normand and Halin and Ernest Savard, are offering $400,000, 5½ per cent., first mortgage sinking fund bonds of the Hospital Francais de Montreal. The issue is being sold at par.

The new financing will erect an addition to the maternity hospital in Montreal, and will provide also the purchase price of the hospital. The hospital is owned and managed by the Roman Catholic Church. The bonds are secured by a first mortgage on the land, building and equipment, and also on the new addition now being erected. The sinking fund clause in the deed covering the issue provides annual sinking fund payments of $8,368, which will redeem almost three-quarters of the bonds by 1945; the bonds mature at that date, with the exception of $100,000 which mature in 1935.

BLOCK GERMAN BONDS MARKETED IN CANADA

Canadian Investment Houses Participate in German Industrial Issue for First Time

For the first time in the financial history of Canada, Canadian investment houses participated substantially in the floating of a large German industrial issue. Dillon, Read and Co., this week underwrote the $25,000,000 Rheinelbe Union, twenty year, 7 per cent. sinking fund mortgage gold bond. The issue is being offered to the public at 94 and accrued interest, yielding over 7.55 per cent. Approximately $8,000,000 of the issue is being offered in Europe; principally in Holland and England, and probably $2,000,000 in Canada.

Hitherto most of the foreign issues have been government rather than industrial issues. Now with the prospective improvement in the economic conditions of Europe, and with the attractive yield which these investments offer, more industrial issues no doubt will be floated.

We may ask ourselves: "Why are Canadians investing funds in foreign industrials?" Canada as a young country has heretofore always been a borrower rather than a lender of capital. From 1903 to 1914 Canada borrowed for industrial purposes about 2½ billion dollars. No doubt Canada still requires outside financial aid for the devlopment of her resources, yet with the abundant funds easily available the yields on Canadian industrials in the past few years have been comparatively low.

It is a well known fact that German industry to-day is financially starved. The Reichsbank, in an effort to restore soundness to industry, under its present deflationary program, has greatly reduced credits. Many of the strongest German industries, with outstanding successful records of earnings behind them, find themselves handicapped financially, although otherwise very sound.

The Rheinelbe Union would appear to be one of these industries. Together its constituent companies constitute the largest coal producing and iron manufacturing group in the old established coal and iron industry of the Ruhr district. They are also very large steel manufacturers, producing a more diversified line of highly finished steel products than any other manufacturer in Germany. The company has recently erected a cement plant which is one of the largest and most up to date in Europe.

These bonds are the obligations of the three companies secured by a closed mortgage on all the fixed assets of each company, subject to $17,000,000 underlying mortgage. The value of the fixed assets based on present replacement cost in Germany, after liberal allowance for depreciation, have been set by H. A. Brassart at $214,000,000, or more that five times the sum of the bonds and the underlying obligation.

We can guarantee safety in the investments we recommend. That is the prime requisite of every prudent investor. Let us advise you.

"Invest with Safety"

W. M. Wilson, *Pres.* C. Morrison, *Treas.*

DOMINION FINANCIAL CORPORATION, Limited

232 St. James St., Montreal
Telephone MAIN 5412

Public Financing on Kelvinator Company

An issue of $800,000 7 per cent. preferred stock has been sold in connection with the formation of a Canadian company to take care of the business of the Kelvinator Corp., of Detroit, which is a leading manufacturer of electric refrigeration for homes. A new company, Kelvinator of Canada, Ltd., will take over the business of the Canadian agency and will manufacture and assemble refrigerator products. The financing in connection with the new plant which will sponsor the development of the business in Canada and elsewhere within the British Empire, will be looked after by A. E. Ames and Co.

The volume of business done in Canada, and the prospects for further business, owing to the wide expansion in electrical development in the central provinces especially, warrants the expenditure of further capital in this field. The 1926 business prospects are excellent both in Canada and in other parts of the Empire, and the Canadian company will enjoy the exclusive rights to manufacture under Kelvinator and Nizer patents. For this purpose the company will purchase and equip a plant in London, Ontario. A consolidation of the businesses of the Kelvinator and the Nizor Corporations has recently taken place. The former specializes in electric refrigeration for apartments and dwelling houses, while the latter is the leading producer of this equipment for commercial use, especially for dairies, ice cream producers, grocers, etc.

The directors of the new company, to be elected, are: A. H. Goss, Detroit, Mich., president; president, Kelvinator Corporation, Detroit, U.S.A.; president, Electric Refrigeration Corp. Arthur T. Little, London, Ont., Robinson, Little & Co. A. E. Ames, Toronto, Ont. J. B. Goss, jr., London, Ont., vice-president and general manager. D. O. Bull, Brampton, Ont. C. B. McNaught, Toronto, Ont. W. D. Mercer, Detroit, general manager, Kelvinator Corporation.

Supertest Petroleum Co. Sells Preferred Issue

The rapid expansion in the use of the motor car, especially the bus and the truck, has led to an ever increasing demand for service. There are more than 700,000 motor vehicles in use in Canada, and the consumption of gasoline is close to 300,000,000 gallons annually. It is this fact that lends interest to the public offering of $385,700 7 per cent. cumulative preferred stock of the Supertest Petroleum Corp., being sold this week by Housser, Wood & Co., and Murray & Co. The stock is being sold at $100 per share, a bonus of common being given with each two shares of preferred. These shares represent the premier security of the company and are redeemable at $110 per share.

The balance sheet of the Supertest Corporation shows surplus assets over liabilities of $519,096, being exclusive of goodwill, trade marks, etc. This is the equivalent of more than $135 for each $100 share. The ratio of current assets to current liabilities is stated to be more than 3 to 1. Net current assets represent more than 54 per cent. of the $385,700 Class "A" shares outstanding. The combined net earnings of the constituent companies for the six months ended September 30 last, was $44,361, after depreciation charges. Sales during the first six months of last year were $584,481 against $113,933 in 1924.

COMPANIES CAN MEET SITUATION IN RURAL CREDITS

(Continued from page 1)

inces no sooner is a so-called first mortgage negotiated than the company or individual holding the mortgage becomes liable to the government for various taxes and other prior charges. This leads to the argument that if the governments will co-operate to restore the standing of the first mortgage, the existing loaning organizations with their efficient machinery established for many years, and with their large financial resources not now fully employed, can meet the needs of the agricultural community in advancing credits on terms quite as favorable as those which the government could reasonably afford to adopt. What is more it is recognized that the private companies are in a much better position to enforce collections of interest and principal than officials of the government would be with the result that under any system of government there would undoubtedly be losses which the taxpayers of the country would have to shoulder. All experience teaches that money borrowed from the government is only repaid after all other obligations are settled— and frequently not them.

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WINNIPEG

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Amount	Security	Rate	Due	Price	Yield
$25,000	Province of Ontario	5½%	1942	106.87	4.90%
10,000	Northern Canada Power Ltd..	6%	1945	101.00	5.92%
5,000	Northern Ontario Light & Power Co.	6%	1946	100.00	6.00%
10,000	Canada Paper Company	6%	1945	99.00	6.09%

Fully descriptive circulars will be sent upon request.

Gairdner & Company, Limited
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MASSEY-HARRIS REPORTS SHOW GREAT RECOVERY

(Continued from page 1)

serves and depreciation will be required to be made. The balance at the credit of profit and loss is $2,359,883, or $1,541,173 in excess of what it was in 1924.

The Balance Sheet

Capital and current assets, which in aggregate make up the total of $36,725,017, have been conservatively valued. Capital assets of $10,938,136 have been increased within the year by $327,874, due mainly to the purchase of necessary warehouses and branch properties in South America and Australia, the acquisition of a factory site in France, and the installation in the Canadian plants of certain improved labor-saving machinery, tending towards better and more economical production.

Working Capital, November 30.

Current Assets—	1925	1924	1923
Inventories	$13,844,923	$16,310,256	$14,912,537
Expend. on acct. next year's oper..................	1,924,538	1,249,011	2,102,591
Bills and accounts receivable	8,677,171	10,635,623	14,507,866
Cash	462,243	285,470	297,148
Massey-Harris Harvester Co., goods supplied......	877,956	507,831	....
Total	$25,786,831	$28,988,191	$31,819,624
Current Liabilities—			
Bills and accts. payable........................	$ 3,631,555	$ 8,539,814	$11,209,984
Reserve for taxes—foreign br..................	312,517	270,873	280,505
Reserve for possible branch losses on receiv........	1,726,990	2,025,968	2,351,570
Total	$5,671,062	$10,836,655	$13,842,059
Net working Capital	$20,115,769	$18,151,536	$17,977,583

Current assets, which amount to $25,786,831, or 70 per cent. of the whole, show a decrease for the year of $3,201,359. Inventories, composed of raw materials, finished goods, and goods in process of manufacture, show a decline of $1,789,805; while bills and accounts receivable were reduced by $1,958,451. The usual practice of pricing everything entering into inventories at cost or replacement value, whichever was the lower and of making adequate provision for possible losses on receivables was followed.

Current liabilities, which represent only 14 per cent. of current assets, were reduced by $4,908,259, making the net liquid or working capital $22,-155,277, or almost 1½ millions more than a year ago.

Increase in Sales

Sales for the year were, according to value, 29 per cent. in excess of those of 1924, and, with one exception, exceeded the amount of goods sold in any previous year. Exports, however, very greatly exceeded Canadian sales, the former being no less than 62 per cent. of the whole. It will be recalled that in the last report the directors expressed the opinion that a substantial improvement in conditions at home was in evidence. This has been justified by the important increase in the Canadian business during 1925. While the proportion of business done outside of Canada during the past several years has substantially exceeded the home business, it is gratifying to record a distinct improvement in the domestic demand.

The report announces that European business is improving with the result that the company has acquired a site in France and plans are already being definitely laid for the erection of a manufacturing plant there. During the year the company entered the South African field with a branch at Durban.

To Reorganize Capital

A proposal for a reorganization of the capital of the Massey-Harris Company entailing a split-up of the outstanding shares is being made to the shareholders and will be embodied in a by-law to be considered at the annual meeting. The company which like other Canadian implement concerns has for some years been seriously affected by the conditions in the agricultural implement industry passed its dividend four or five years ago. Conditions have recently shown marked improvement. Nothing is said in the announcement referred to in regard to dividend prospects, but it is understood that if the plan goes through action will be taken looking to a resumption of dividends on the new preferred shares in the near future. It is also anticipated that the new stock will be listed on the Canadian market.

The outstanding capital comprises $25,000,000 of common stock which constitutes the only issued obligation of the company and the by-law provides for the division of this stock into $12,500,000, 7 per cent. non-cumulative preferred and an equal amount or $12,500,000 of common stock. It is further proposed to issue in exchange for each share of common now outstanding one share of preference of par value $50, and one share of common par value $50.

The Dividend Record

Massey-Harris stock during the past year has advanced from around $30 a share to a high mark of $70 and is now being traded around the latter figure. On the reorganized basis the common will, of course, take value on earnings only. Previous to the war the present stock maintained a price of from $130 to $175 a share, having a continuous dividend record during a long period and being regarded as one of Canada's most stable industrial stocks. On the statement of 1924, the capital stock had a book value of slightly in excess of $100 per share.

JOINT EXPENDITURE REFORM IS SOUGHT

From Our Own Correspondent.

SYDNEY.—Joint expenditure reform for which the city of Sydney and towns of Cape Breton county have been fighting for years, is likely to be effected at last if a bill introduced by Mayor McConnell, of Sydney, goes through the N.S. legislature when it meets in February.

For many years the joint expenditures of the city, the six towns and the county proper have been handled by a board of 18 representatives. The only privilege of this board is to raise the money for joint purposes—the appointment and dismissal of officials paid out of these sums being entirely in the hands of the county council representing only the rural districts.

At first the county representatives outnumbered all others, but a legislative fight waged by ex-Mayor William Fitzgerald, five years ago, succeeded in getting adequate representation on a population basis, but the "taxation without representation" feature as to the officials continued.

In the last election in November, the LeVatte administration which had held office for about 40 years, was defeated, but the new reform county council also shows some disposition to fight the mayor's proposals and keep the appointments in its own hands.

Mr. McConnell's draft bill proposes to re-incorporate the joint expenditure boards, and cut the membership to eight, one for each of the districts affected. Equalization of representation is obtained by giving each man an additional vote for each $2,000 of revenue contributed by his district to the joint funds. It also empowers the board to do all the hiring and firing of officials paid exclusively from its own funds. It is claimed by proponents of the bill that it will make for more efficient and economical administration. At the present time, the county districts which have all the say about appointments and dismissals, contribute less than 20 per cent. of the total joint revenue.

BOND MOVEMENTS OF THE WEEK
WEEK ENDING JANUARY 26

Bonds	Int. Rate	Due Year	Yield	Range 1925 High	Range 1925 Low	Range 1926 High	Range 1926 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.26	99	80¾	97	92	—	96¾	97	96¾
Can. Canners......	6	1950	6.44	96¼	90	95½	94	94½	94	94½	94
Cedar Rapids......	5	1953	5.01	99⅜	97	99¾	98¾	—	99⅞	99¾	—
Dominion Iron.....	5	1929	8.28	94	86	89	89	—	89	89	—
Montreal Tram (A)	5	1955	5.47	98¾	92¾	93½	92½	93	92¼	93	—
Montreal Trams....	5	1941	5.20	98	94⅛	97¾	97¼	98	97⅞	97¾	—
Ogilvie (C)	6	1932	5.10	106	103½	105¼	105¼	105½	—	105¼	—
Quebec Rly.........	5	1939	5.73	98	89¾	93¼	91⅞	93	92½	93	91⅞
Steel of Can........	6	1940	5.31	106	103	107	106	—	106¾	107	106½
Wayagamack	6	1951	6.63	98¾	84¾	92½	92	—	92	92¼	92
War Loan.........	5	1931	4.56	102.65	101.10	102.35	101.80	102.30	102.20	102.35	102.00
Do.	5	1937	4.53	104.95	103.80	104.40	103.85	104.35	104.25	—	—
Victory Loan......	5½	1927	4.40	103.15	101.70	102.40	101.85	102.25	102.15	102.40	101.95
Do. "	5½	1933	4.65	107.00	105.10	106.00	105.10	105.90	105.80	106.00	105.80
Do. "	5½	1934	5.00	104.80	103.20	104.10	103.65	103.95	103.85	104.05	103.70
Do. "	5½	1937	4.55	110.00	108.15	109.15	108.55	109.00	108.90	109.15	109.00
Do. Refund....	5	1928	4.86	101.45	100.15	100.90	100.55	100.75	100.65	100.75	100.65
Do. "	4½	1940	4.85	97.25	92.20	96.50	96.30	96.35	96.25	96.40	96.30
Do. "	5	1943	4.85	102.90	101.15	101.70	101.40	101.60	101.50	101.60	101.50
Do. "	4½	1944	4.77	97.75	96.20	97.00	96.40	96.85	96.75	97.00	96.90
Do. Renewal..	5½	1927	4.90	102.95	100.80	101.70	101.20	—	101.50	—	—
Do. "	5½	1932	4.96	104.20	102.65	103.30	102.65	103.20	103.10	103.05	102.85

WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	Sold To	Rate	Maturity	Amount	Price	Yield
		MUNICIPAL					
Bond Sales—							
Saskatchewan Schools, etc.	Jan.	Various	.....	....	$121,330	...	...
St. Augustine, Que.	Jan.	Credit Municipal Corp.	5%	1936	25,000	97.53	5.51
Hospital Francais de Montreal...	Jan.	H. B. Robinson & Co., and Syndicate..........	5½%	1945	400,000	100	....
		Corporation					
Chomedy Apartments	Jan.	W. A. Mackenzie & Co., and Hanson Bros. ..	6½%	1941	325,000	99	6.60
Stock Issues—							
Supertest Petroleum Corp.		Murray & Co., and Housser, Wood & Co.	7%	Pref.	385,700	100	...
Stone-Locke Silos		Hunt, Kilburn, Ltd., Edmonton	10%	Pref.	65,000	100	...

Municipal and Provincial Finance

DEBT REDUCTIONS EXCEED NEW LOANS IN SASKATCHEWAN

Fewer Municipal Defaults and Large Additions Made to Sinking Funds

From Our Own Correspondent.

Steady and substantial betterment in the condition of Saskatchewan's municipal institutions is a marked feature of the report of the Local Government Board recently handed to Premier Dunning and laid on the table of the legislature, covering the year 1925. "Many municipalities and school districts have cleared themselves of all debenture indebtedness, and as a result their tax levies now may be substantially reduced and devoted wholly to current and maintenance purposes.

"The amount of debenture indebtedness repaid in 1925 by rural telephone companies, hospital districts, school districts, rural municipalities, villages, towns and cities far exceeds the new capital loans undertaken, a state of affairs which means much for the progress and solidarity of these institutions. In fact, it is not now unusual to learn that no tax sale has been held in the fall as all arrears of taxes had been paid in full.

"Local authorities generally preserved an attitude of increasing care in considering proposals to mortgage the future, and in rural municipalities in particular may be taken to mean that they prefer to pay as they go. An increasing number of school districts involving erection of new buildings, together with necessary enlargements consequent on increased population, have caused applications from school districts for permission to borrow by debenture have been comparatively numerous. The application of the Union Hospital Act throughout the province continues to be disappointing. There were during 1925 only three applications to borrow money by way of debenture.

Certain Towns Readjusting Finances

"No additions during the year have been made to the number of towns in financial difficulty. Those which in past years failed to meet the payment of their debenture coupons, and which have been the subject of comment in previous reports, have had their outstanding indebtedness amicably arranged with their creditors. It may be repeated that the number of towns so situated is comparatively small, only seven out of a total of eighty being so classified.

"The advisory committee, consisting of T. H. Moffett, representing the Association of Rural Municipalities, and G. F. Blair, K.C., representing the urban association, met the board from time to time for consultation.

"The question of control by the Local Government Board of the sale of securities in sinking funds of cities and towns was taken up. It was mentioned that when a sinking fund is invested in a reliable security, at a fair rate, it should be undisturbed until the maturity of the investment concerned, solid investment being the object, but the Local Government Board at present has no control of the sale by the municipalities of securities which may be in the sinking fund.

"Evidences of oil and gas on lands within the limits of one of the cities of the province was brought up for comment; also the length to which a city should be allowed to go in endeavoring to develop possible mineral resources within its limits. It was unanimously agreed that the issuing of debentures should not be allowed for proposals of the kind."

Sale of Debentures

A summary of the sale of debentures during the year shows 288 issues, aggregating $1,460,811, of which much the largest item was debentures of rural and village schools. Tables are then given showing the distribution of sales throughout the year and the highest, lowest and average interest rates paid. The interest rates generally are much more favorable to the issuing local authorities than they have been for some time.

A total of 208 investments in sinking funds were approved by the Board in the course of the year 1925, as against 183 in 1924, and the face value in 1925 was $2,003,356.

"Reports are constantly coming to the Board of companies operating under Dominion charters offering their shares for sale in this province. Doubtless some of these companies are bona fide, availing themselves of Dominion registration as more suitable to the nature of their business, but on the other hand there is every indication that many of them avail themselves of the Dominion charter as an expedient for escaping the necesity of submitting their affairs to the scrutiny of the Local Government Board for the purpose of obtaining a certificate under Saskatchewan's Sale of Shares Act.

"Information has come to the Board that many companies in the latter category are in the habit of making extravagant representations to prospective investors, a concrete example of which is the case of a Vancouver firm, fiscal agents for a mining company, who are offering 8 per cent. first mortgage bonds, carrying a bonus of $25 common stock per $100, on which an annual dividend of 500 per cent. is promised.

"It is not an infrequent occurrence for persons who have succumbed to the blandishments of high pressure salesmen to apply to the Local Government Board for relief, but unfortunately it has no means of combating the evil, as these salesmen by virtue of the Dominion charter held by the companies which they represent are exempt from the restrictions of the Sale of Shares Act, and as a result there is no doubt that the public, deprived of the protection the act was intended to afford, are being victimised to the extent of thousands of dollars annually.

"To this regrettable state of affairs may be ascribed the fact that applications for certificates under the Sale of Shares Act are steadily decreasing. In 1923, 30 applications were received. In 1924 the number fell to 15; while in 1925 only 14 applications were made. A list of these is then given, together with lists showing the certificates revoked, and of the 48 companies holding the Board's certificate at December 31, 1925."

ALBERTA GOVERNMENT CERTIFICATES

According to Deputy Provincial Treasurer Newson of Alberta, the amount of money invested in provincial savings certificates during 1925 broke all previous records, the previous high being established in 1920. For the twelve months ending Dec. 31, 1925, the total invested in these certificates was $2,-137,464. The 1920 record was $1,166,740. The total invested in 1924 was only $894,592. The grand total now outstanding is $7,663,770.

STILL MORE TOURISTS FOR B. C.

VANCOUVER.—Notwithstanding the fact that 1924 was a record year for volume of tourist traffic entering British Columbia, the year 1925 saw an increase of about eight per cent. Customs figures for the Pacific Highway at Blaine, Washington, are regarded as the index. For the eleven months ended November, 30, 1925, the number of northbound cars crossing the border at this single point was 57,211, with 145,335 passengers. This compares with 50,977 cars and 126,556 passengers for the previous year.

Tenders and By-laws

TENDERS CALLED

January 30, School Municipality of Notre Dame des Bois—$8,000, 5½ per cent., serial debentures. Charles Valence, sec.-treas.

Feb. 1, Prince Rupert—$89,650, 5½ per cent., serial, one to ten years, debentures. D. J. Matheson, city treas.

Feb. 11, Town of Greenfield Park, P.Q.—$63,000, 5½ per cent., serial bonds. E. J. Allright, sec.-treas.

SASKATCHEWAN

Authorizations Granted by the Local Government Board From Jan. 2 to Jan. 18, 1926

Schools: Meadow View, No. 3504, $3,500; Geneva, No. 4637, $4,500.

Telephones: Pilger, $2,025; Quill Lake, $300; Wawota, $575.

Debentures Reported Sold

Schools—Elk, No. 3266, $1,500, 10 years, 6¼%, Melfort Sinking Fund; Grenfell, No. 150, $2,000, 10 years, 6½%, H. Hood, Grenfell; Dubois Lake, No. 3747, $400, 4 years, 7%, Cross & Co., Regina.

Telephones: Richlea, $5,400, 15 years, 6%, Moorhouse & Co., Regina; Pilger, $1,500, 10 years, 6%, Cross & Co., Regina; Manitou Lake, $830, 12 years, 6%, J. Patterson, Artland; Craven, $500, 15 years, 6%, Melfort Sinking Fund; Pennant Northern, $600, 7 years, 6¼%, Cross & Co., Regina; Town Kamsac, $108,600, 5 years, 6%, Gorman's, Ltd., Montreal.

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THE QUEBEC SOUTHERN POWER CORPORATION is building up a large, profitable business in prosperous districts, close to Montreal. We believe these bonds present an unusual opportunity to invest in a growing enterprise with an assured future.

Price: 100 and interest to yield 6½%. Bonus of 2 shares Common stock with each $1,000 of bonds.

Browne, Urquhart & Co.
Limited
180 St. James St. Montreal
Tel. Main 8011*

QUEBEC FUNDED DEBT IS UP FIVE MILLION

Province's Revenue Largest on Record But Expenditure Rises More Rapidly

The financial position of the Province of Quebec, as disclosed in the budget speech delivered to the legislature this week by Hon. Jacob Nicol, is inherently sound. A comparison of the past fiscal year, that ending June 30 last, with the previous year, shows an increase of $5,724,203 in the net funded debt of the province. At the close of the fiscal year ended June 30, 1924, the funded debt was $75,605,226 from which must be deducted, in accordance with the method arrived at in deducting the debt of $62,363,104 at June 30, 1925, the $15,000,000 bond advance in connection with the recent merger of the Bank of Hochelaga and the Banque Nationale, and the $3,966,-424 which then stood to credit of sinking fund.

On the revenue side, the provincial treasurer was able to announce the greatest revenue in the history of the province, $25,021,328, as against $23,-170,733 last year. The increase in expenditure, however, has kept pace, being $24,278,192. This allows for a surplus of $743,136 as against a surplus of $1,303,441 for the previous year. Receipts increased only $1,850,-495 while expenditures advanced $2,-410,900.

In addition to the ordinary net debt, temporary loans and trust funds involve a further obligation upon the province, of $6,393,893, bringing the grand total of obligations to $88,338,820. In addition to the sinking funds there are other assets of the province against these liabilities, such as $1,658,720 cash in bank, investments in storage dams, the interest and sinking fund in connection with which is taken care of by the companies benefiting, amounting to $8,324,523.

During the year the government of the province issued one loan of $15,-000,000, for which it received $14,-422,850. This was largely for the purpose of good road construction and improvement. A temporary loan of $4,500,000 was received, and $322,471 as proceeds of a loan issued for extensions of the St. Maurice River dam works. During the year there was $5,000,000 of temporary loans, and $9,500,000 of short term loans repaid.

Investment and Speculation

As dealers in High-Grade Bonds, we serve investors to whom speculation is undesirable, or for whom it would be unwise.

As members of the Toronto Stock Exchange, we serve clients who wish to buy stocks and shares either as an investment or as a speculation.

We try not to confuse these functions either in a client's mind or in the conduct of this business.

Inquiries invited

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

MARITIME MUNICIPALS
Inquiries Solicited
Thomas, Armstrong & Bell
Canada Permanent Bldg., St. John, N.B.
S. Allan Thomas. Donald W. Armstrong
T. Moffett Bell.

To Bond Houses

Experienced Montreal bond salesman, competent to act as branch manager, seeks connection with active house. Ten years' experience includes retail distribution, active trading and investigation of new financing. Salary and commission proposition.

Box No. 25, Financial Post, Southam Bldg., Montreal.

MAISON RENE-T. LECLERC INC. 1901

Our Trading Department

At all times we are prepared to submit satisfactory bids for the purchase, in odd-lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

The following, amongst others, are securities for which our market facilities will be found most dependable: Quebec Power 6's 1953, Quebec Railway 5's 1939, Mont. Tramways 5's 1941 and 5's 1955, Duke-Price-Power 6's 1949, Belgo Paper 6's 1943, Bell Telephone 5's 1955, Wayagamack 6's 1951 and 6½'s 1930.

Enquiries invited

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)

E184

Preferred Stocks

Preferred Stocks with sound dividend records are finding favor amongst those who desire a higher return on their money and freedom from normal income tax.

Conservative suggestions sent on application.

F. H. Deacon & Co.
227 Bay St., - Toronto

7% UNITED BONDS

An Investment Service

Ours is not a Company organized merely to sell bonds.

In connection with every bond we offer:

the security is a property which we have selected for its desirable location and income-bearing merits;

all legal matters have been scrutinized and made satisfactory to our counsel;

all matters of insurance, upkeep of property and collections of monies continue to be performed or supervised by us during the entire life-time of the bond issue.

Write us for details of issues.

UNITED BOND CO. LIMITED
Toronto 297 Bay Street
Windsor Imperial Bank Bldg.

Safeguarding Your Income

The selection of sound securities for the investor who must make his capital go as far as possible, consistent with safety, requires experience and knowledge of the market. We can render you a service in this respect that costs you nothing, and may result in considerably increasing your income.

Municipal Bankers Corporation
LIMITED
34 King Street, East, Toronto

Insurance for Buyer and Seller

COMMITTEE WILL PUZZLE OUT AUTO INSURANCE PLAN

Day Spent in Conference on Vexed Motor Risk Problem

A whole day of discussion served to air opposing views, but not to solve the problems on the agenda, when automobile insurance was the subject of a conference in Toronto the other day. Representatives of automobile companies, finance companies and insurance companies, met to advise the superintendent of insurance on legislation to be submitted at the next annual meeting of the various provincial superintendents.

The conference was called for the purpose of considering the insurance of automobiles sold on the instalment plan. About 80 per cent. of the machines sold are paid for upon this basis, and there has grown up an arrangement whereby the automobile finance companies insure the automobile involved in their own interest. Sometimes the purchaser of the car is told how much of his finance charges represent the cost of insurance, but more often he is not, and within the past few months there has developed a new plan whereby some of the large motor companies are including an insurance policy in the price quoted for the car, supplying it just as an accessory after the manner in which other accessories are furnished. It must be taken whether the car is sold for cash or on the instalment plan.

The adoption of this plan has led to some of the large motor companies carrying on their own insurance organizations, and upon this point a legal battle has developed in some 15 of the United States. Announcement has been made of the extension of the plan to Canada by the Canadian sections of the motor companies concerned, and the status of the plan under the provincial insurance laws and the adequacy of those laws were amongst the points at issue at the recent conference. The matter is a large one to handle in view of the extremely rapid development of automobile insurance which has paralleled the phenomenal growth of the automotive industry. Superintendent Foster stated that a general survey of the whole situation from the viewpoint of the motor industry, insurance trade, and government, was considered advisable at the present time.

Finally a committee to formulate further suggestions on the subject was constituted as follows: V. Evan Gray, A. E. Dawson, and H. C. Wright, of Toronto, and A. L. Browning, of Montreal, representing the insurance companies; A. E. Given and H. P. Heather, representing the guarantee companies; Cecil Bethune, of Ottawa, and A. Harvey, of Toronto, representing the insurance agents; A. W. Austin, of the Ford Company, representing the manufacturers, and Secretary Robertson, representing the Ontario Motor League.

Stores Protect Buying Group by Credit Bond

An interesting use for credit insurance is revealed in the organization of Federated Distributors, Ltd., a buying organization formed of 24 Canadian retail stores.

Merchants eligible for this organization must be financially sound, and must take out a bond through the American Credit Indemnity Co. of New York to protect the federation. They must also have a turnover of about $500,000.

Samples are brought to the warehouse and culled, those chosen being placed on display. Each line, such as shoes, coats, etc., is given a separate room. Goods are selected by the buyers of the stores and the orders are given in bulk. The goods chosen are shipped to the federation, grouped, and repacked, and are sent to stores.

About 20 per cent. is declared to be saved on the purchasing price, and a great deal on freight rates, as the products of the different factories are packed in one box, saving small shipments. Stores have also found it to their advantage to employ higher salaried buyers. Bankrupt and clearance stocks may be purchased to advantage, as the federation has arranged with the manufacturers to be placed on a jobber's basis.

The federation has a $10,000,000 purchasing power with offices in London, Paris and New York, it is stated. Among the lines carried are drapery, rugs, carpets, shoes, hosiery, gloves, lingerie, knit underwear, silk dresses, and coats. A full line of women's apparel is also to be handled.

Hail Underwriters Had Favorable Year in 1925

At the annual meeting of the Canadian Hail Underwriters' Association, held in Montreal, the report on underwriting results for the season of 1925 showed that the associated companies wrote slightly over $5,000,000 in hail premiums in the three western provinces last year, with a favorable loss ratio. The business was divided among the provinces as follows: Manitoba, $424,000 in premiums; Saskatchewan, $2,890,000; Alberta, $1,700,000. This constitutes about five-eighths of the entire hail business written in these provinces.

Recently, Willie Gauthier, a Great West Life agent, attached to the Three Rivers agency, effected insurance on ten members of one family: the father, aged 55; the mother, aged 46; and eight children from 23 years down to 8 years.

This was Mr. Gauthier's first insurance sale.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

Head Office, Winnipeg.

Branches: Saskatoon and Calgary.

Record of Life Companies in 1925

Companies Whose Figures Are Available to Date

Company	Policies Issued End of 1924	Policies Issued End of 1925	Business in Force End of 1924	Business in Force End of 1925
Canada	$105,259,000	$128,563,496	$485,679,776	$578,660,490
Confederation	34,170,806	40,484,133	184,480,802	206,717,691
Continental	6,231,074	7,438,778	....	....
Excelsior	12,715,690	14,581,054	57,782,440	61,746,263
Imperial	33,424,317	33,217,307	176,068,256	195,068,289
London	53,580,000	64,052,000	175,325,000	211,000,000
Manufacturers	60,440,136	65,455,152	281,195,960	319,216,126
Mutual	43,324,297	45,573,577	295,729,866	322,529,285
National	9,040,281	10,809,195	38,119,152	42,536,043
Northern	....	....	....	27,678,678
Saskatchewan	1,760,000	2,530,000	6,844,000	8,250,000

Life Insurance Sales Totalled $685,000,000 in Canada in 1925

Life insurance sales in Canada in 1925 totalled $685,000,000 as compared with $628,687,615 in 1924. This estimate is based by The Financial Post upon the record of the Life Insurance Sales Research Bureau. This organization gets reports from some of the companies and these companies show a gain of 90 per cent. for the year. Applying this to all companies in Canada, the improvement would be as shown.

December sales of the reporting companies, which have 83 per cent. of the outstanding business in Canada, totaled $41,822,000. This is only 1 per cent. lower than the highest record ever made—June, 1925. The bureau's records show that December is generally the highest month in the year in Canada, with June following closely.

During December, $4,702,000 more ordinary life insurance was sold throughout Canada than in December, 1924. This is a gain of 13 per cent. Every province in the Dominion shares in the general gain for the month. This is the only month in 1925 that shows improved conditions in every province. The increases range from 3 per cent. in New Brunswick to 115 per cent. in Prince Edward Island.

Practically every province shows a gain for the year. Newfoundland is higher than any province, with a gain of 36 per cent. Ontario and Quebec, the two most important provinces, show gains of 10 and 8 per cent. respectively. Prince Edward Island shows a gain of 24 per cent.

The records of the various cities vary rather widely. Improvement is most noticeable for December in Ottawa, which shows a 13 per cent. gain. Practically all the cities show gains for the year, Quebec leading with a 27 per cent. increase.

Aim to Fight Fire Fraud All Over the Dominion

The Fire Underwriters' Investigation and Loss Information Bureau of Canada, the recently established Dominion-wide organization for the prevention and detection of arson and fire fraud, has elected officers as follows: President, John Jenkins, Montreal, manager for Canada of the Employers Liability and the Merchants' Marine; vice presidents, Lyman Root, Toronto, manager for Canada of the Sun and the Canadian Patriotic, and John B. Borthwick, Montreal, manager for Canada of the Caledonian and the Caledonian American.

The executive committee is composed of eight Montreal and four Toronto representatives, as follows: Bertram E. Hards, Guardian of London; T. L. Morrisey, Union of London; W. E. Baldwin, Continental; Robert Hampson, Insurance Company of North America; Lewis Laing, Liverpool & London & Globe; J. H. Labelle, Royal; C. A. Richaradson, North British & Mercantile; A. Hurry, Northern of London. The four Toronto representatives are Colin E. Sword, London & Lancashire; Peter T. McCallum, Hartford Fire; W. M. Cox, British America, and John B. Laidlaw, Norwich Union Fire.

Insurance Companies Collect Past Interest

Better investment conditions for the insurance companies with money on loan in western Canada were referred to by J. K. Macdonald, president, and C. S. Macdonald, general manager of the Confederation Life Association, in their annual report. They said:

"It would appear that general conditions in Canada passed the turning point during the year, and that considerable improvement in the outlook for the future has taken place. This year the three Prairie Provinces are said to have harvested the second largest grain crop in their history. The largely increased amount of money sent into circulation has resulted in heavier mortgage interest payments, and in many cases overdue amounts from previous years have been met as well as instalments of principal.

"Undoubtedly the farmers of the West, with a brighter vision of the future, are in a more contented state of mind. The chief need of our country would appear to be a sound immigration policy, whereby reasonable numbers of good agricultural settlers may be secured and placed upon the land.

"The mortgage interest and premium collections again show a substantial increase, and, notwithstanding a large increase in the amount of insurance at risk, the "write-offs" for the year were proportionately less.

The ONTARIO EQUITABLE Life and Accident Insurance Company

S. C. TWEED, President

Head Office

WATERLOO, ONT.

Assets over $2,000,000

THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, CANADA

TOTAL ASSETS $2,928,337.62

TORONTO, 24 Adelaide St. W.

W. H. GEORGE
Superintendent of Age ncies

Insurance OF ALL KINDS TRANSACTED

The Provident

ESTABLISHED 1905

Head Office:
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Corner Place d'Armes & St. James St.
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Manufacturers Gained 60% of Business Written

In the present period of heavy lapses in insurance, it is noteworthy that the Manufacturers Life in 1925 gained in business in force an equivalent of 60 per cent. of the business written during the year.

During the year, the company increased its scale of dividends to policyholders and plans a further increase during 1926.

New insurance issued was $651,435,152, compared with $60,440,136 in 1924. Insurance in force at the end of the year was $319,216,126, as compared with $281,195,960.

The assets of the company increased by over $6,750,000, and at the end of December amounted to slightly less than $60,000,000.

Payments to policyholders constituted a record. The death claims amounted to $1,609,089; matured policies, annuities, etc., $2,518,496, and dividends to policyholders $1,198,798, making a total of $5,326,383. It is interesting to note that the dividends to policyholders amounted to 75 per cent. of the death claim payments. In addition to the above, the company set aside $1,313,702 as dividends to policyholders to be paid during 1926.

The general manager, J. B. McKechnie, referred at the annual meeting to the fact that death claims were a little larger, but were still favorable.

Satisfactory Service Guaranteed

PRUDENTIAL TRUST COMPANY LIMITED

Trustees, Executors, Administrators, Real Estate and Insurance, Safety Deposit Vaults.

J. P. STEEDMAN, Chairman of the Board

B. HAL. BROWN, President and General Manager

HEAD OFFICE PRUDENTIAL TRUST BLDG., Montreal

TORONTO OFFICE Reford Bldg., 217 Bay St.

Branches throughout Canada and in London, Eng.

The Independent Order of Foresters

Organized 1874

TOTAL BENEFITS

Paid to Members and their Beneficiaries

$87,000,000.00

Policies Issued from $1,000 to $5,000

G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

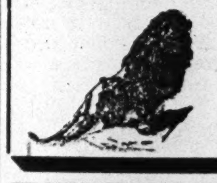
Will you be next?

The demon of fire plays no favourites. A sudden conflagration—home and possessions quickly wiped out. Have you a Fire Insurance Policy that fully protects? Will the settlement be prompt?

Our policyholders know that we commence the adjustment often before the embers are cool. Over $90,000,000 paid out in claims in 75 years.

The Western Assurance Company of Toronto

Established 1851



THE MONARCH LIFE IS A GOOD COMPANY

Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Northwestern Mutual Fire Association

SEATTLE, WASHINGTON

HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO

The Northwestern furnishes:

An insurance service that has been uniformly successful since the beginning of the century.

Writing Fire Insurance at Cost. Assets $2,604,266.13.

Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.

All Policies dividend paying and non-assessable.

We Recommend a

6 P. R. POLICY (SIX PREMIUM RETURN)

—an exclusive Northern Life plan.

The Northern Life's 6 P.R. policy is one of the most popular 20 pay life policies in Canada.

For further information regarding this attractive plan consult your nearest Northern Life representative or write our Home Office.

The NORTHERN LIFE ASSURANCE COMPANY OF CANADA

LONDON, ONTARIO — ESTABLISHED, 1897

1925

A Year of Progress

"In every department of business progress is shown"

—President at Annual Meeting

The following figures tell the story of this progress:—

Insurance in force - $26,818,703 (a gain of 13%)

New Insurance - - $7,438,778 (a gain of 20%)

Assets - - - - $4,648,353

Reserves - - - - $4,031,065

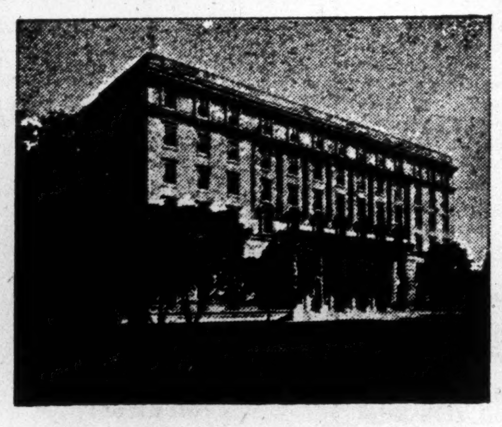
Interest rate earned........6.42%

Actual to expected Mortality........38%

Dividends paid to Policyholders.....$74,408

The Continental Life Insurance Company

GEORGE B. WOODS, *President*



HEAD OFFICE, TORONTO, CANADA

1925 ANNUAL REPORT

A Year of Achievement

SALIENT FEATURES

Record Volume of New Business.

Largest Payments to Policyholders.

Increased Dividends to Policyholders.

Favorable Mortality.

Company continued the practice of investing its funds in Government Bonds, High Class Municipal Debentures and First Mortgages on Improved Real Estate.

New Insurance written	$ 65,435,152.
Insurance in Force	319,216,126.
Assets	59,839,954.
Payments to Policyholders	5,326,383.
Dividends to be paid Policyholders in 1926	1,313,702.

Write for copy of Annual Report

THE MANUFACTURERS LIFE INSURANCE COMPANY

ESTABLISHED 1887

Current Events in Banking World

Proposes Rural Loans on a Basis of Co-operative Credit

James Pike, Member of the Alberta Advisory Board on Farm Credits, Gives His Ideas on How Farmers Should be Financed — Has the Crisis Passed?

To provide Western farmers and others interested in the question of rural credits with information as a background for any proposals which may be considered by parliament, the Lethbridge Herald has secured from James Pike, the Lethbridge member of the Alberta advisory board on such credits, his views of the basic principles on which any measure must be built if it is to prove a permanent success. These views have been forwarded to the editor of this page by a Western banker of twenty-five years' experience who says that "the suggestions are, to my mind, the best I have seen and if followed out will at last solve the serious and troublesome problem of rural credits for the Western provinces."

However, there is a growing feeling that Ottawa will go very carefully *in regard* to any credit scheme in view of experience of governments with such projects in the past. Not only has the need for relief been met to a considerable extent at least by the improved economic conditions in the West, but there is a feeling that, if the problem of legislation undermining first mortgages can be solved, the existing loaning organizations will be willing to make loans on clear first mortgages at rates which will be quite as low as the government can afford without placing burdens on the taxpayers and satisfactory to the farmers.—J. W. T.

A satisfactory system of rural credits is as necessary to the development of agriculture as a wide spread application of scientific methods to agriculture.

As a matter of fact, it is impossible for the farmer to make use of modern methods without better credit facilities.

It is hardly necessary to state that the two go hand in hand.

The basic principle upon which this act must operate is co-operation.

One of the great lessons learned from the study of systems in Europe is that in the long run the farmers succeed best when they help themselves. Whenever they became dependent on the government, they keep looking to the government for more aid.

The farmers of this country are asking no special privilege, such as extending to them the credit of the government itself. What they need and should obtain is legislation which will make their own abundant and substantial credit resources available as a foundation for joint, concerted, local action in their own behalf in getting the capital they must use.

The purpose of the act is to supply to Canadian farmers the long term credit which will enable them to develop and expand their farming operations along more profitable lines. The money to be obtained as cheaply as possible.

All loans to be repaid under an amortization system which will repay both principal and interest in equal annual payments over a long period of years.

Basis of Credit

The basic principle of the bill, therefore, *must be* co-operation, the *farmers themselves* issuing a uniform, sound security based on their own joint and several land mortgage.

The real foundation for the building of credit and the quickest way to reduce interest rates is to be found in successful farming.

Daniel Webster has said that, "Credit has done more a thousand times to enrich nations than all the mines of the world, but the misuse of credit gives rise to the most terrible calamities of modern times."

Many farmers in the West to-day are suffering not so much from lack of credit, but from ill-advised credit extensions. Experience in many instances in recent years proves abundantly that over-capitalization is as fatal for success in agriculture as in any other industry, and that he is a wise farmer who understands his credit limitations. Conservation on the farm and the prosperity of the farmer must be joined with the conservation of capital and credit. The same law prevails. As you cannot eat your cake and have it too, so you cannot spend your money for one thing and also use it for another—use all your cash capital or credit to buy automobiles or put your money into other unproductive uses, and the nation or the individual sooner or later goes bankrupt.

This is only following a simple, immutable law that must eternally prevail.

Based on Permanency

Any credit system that does not consider of basic importance the gospel of maintaining the fertility of the soil, of breaking up the one crop process, of encouraging the dairy interest for which we are so admirably fitted, and thus be providing a natural fertilizer to restore and keep the productivity of the soil, will, in the long run, be adding to our troubles and will work immeasurably more harm than good. If long term credits for farmers coupled with the practical knowledge is able to assist, so that the farmer can extract from any farm its greatest possible product, while sustaining or even increasing its fertility, thus making the farm a healthier, happier, more profitable, more comfortable place than it ever was before, then it has fulfilled its function and become a large and important factor in the success of permanent agriculture.

How is this brought about?

The farmer is not in a position to immediately bring this about himself, but the importance of agriculture as a basic industry and the plight of so many farmers during recent years forces the problem to be approached from no ordinary angle.

The matter is also of sufficient importance to call for careful thought.

It may not be generally known that Canada is the only important agricultural country to-day that has not adopted a sound system for properly financing the business of agriculture. On the other hand, the western farmer must sell his products in the markets of the world in competition with countries who enjoy the benefits derived from the scientific system of long term loans with a low rate of interest.

The principles embodied in a farm loan act based on co-operation are sound and have worked well in practice for more than a century in foreign countries. The United States was the last great country to develop a system of land banks whereby the farmer in need of financial assistance and worthy of credit, was given access to the accumulated capital of the investment markets on equal terms with business corporations.

In being the last to enter the field, the United States incorporated in its law all of the experience of other nations covering a century and a half.

There probably was never an act passed by the congress of the United States after more extended study or more mature deliberation. It is universally agreed that the business of agriculture is entitled to capital on equal terms and at as good rate of interest as any other manufacturer or corporation, providing the security is as good.

One would sometimes be led to believe that debt and the extension of credit are wholly evil, but it all depends on the nature of the debt and the kind of credit granted. Under normal circumstances it may be safely asserted that the granting of credit for productive purposes is both wise and safe. This is an essential fact that ought to be borne constantly in mind.

Having established the fact that the industry is entitled to capital and that this capital is going to be used along safe, sound and conservative lines, the next step is to determine how this capital is to be made available.

The markets of the world are glutted with money, but the farmers are not getting it on the terms and rates suitable to their requirements. Why? The first question is that the security is not good enough. The second, there is no modern machinery for financing the ownership of lands and productive agriculture. And the business of financing is done according to a recognized plan and system of rules.

We are not asking the government to go into the banking business on a large scale. We do not want them to create any new security. We want the machinery set up whereby the industry can finance on its own securities.

We want the government to say, in effect, "We believe there is no sounder or more fundamental basis for long term securities than producing agricultural lands." When all is said and done this is really the base of securities of the government itself, since in a large measure government revenue ultimately depends upon the productivity of the country soil.

There never has been a successful system of land credit established in any country that does not use the mortgage bond or debenture as an instrument of credit. Successful systems in the older agricultural countries of the world and on which the United States system is largely based, provided for undoubted security, where bonds are issued against the amalgamation of the collective farm mortgages of the country.

Staff Gossip

H. M. Monteith, of the Bank of Montreal, Chatham, has been transferred to Simcoe, as accountant of the local branch.—Reformer, Simcoe.

* * *

R. W. E. Wood, of the Canadian Bank of Commerce, Vernon, has been transferred to the local office, replacing J. W. H. Jones, transferred to Greenwood.—Sentinel, Kamloops.

* * *

C. D. McMillan, of Oyen, Alta., has been appointed manager of the Rosetown branch of the Bank of Toronto. Wm. Kerr, who has been acting manager since the bank's opening, has again taken over his inspection duties.—Eagle, Rosetown.

* * *

Mr. Simmons, who has been teller in the bank here for some time, has been transferred to the Napanee branch of the Dominion Bank. His place in the bank here has been taken by J. A. Tilley, of Uxbridge.—Herald, Marmora.

* * *

It will be a matter of regret to the friends he has made in his brief stay in the city that Edwin J. Kay, who succeeded I. K. Johnston here as manager of the west end branch of the Imperial Bank, is leaving the city in the near future. Mr. Kay is planning a holiday for a while before going to another branch. He will be succeeded by M. A. Richardson, at present of Toronto, who is a former resident of St. Thomas, having been on the staff of the west end Imperial Bank over twenty years ago.—Times-Journal, St. Thomas.

* * *

H. J. S. Reynolds, who has been accountant at the Bank of Montreal, Rossland, for the past five years, has received word that he is being transferred to the Bank of Montreal at Penticton, in the capacity of accountant.

Mr. Reynolds, since coming to Rossland, has won for himself many friends. Mr. Reynolds has always taken a very active part in all public movements.

Mr. Ashfield, of the Bank of Montreal branch at San Francisco, Cal., and formerly of the branch office of Spokane, will be Mr. Reynolds' successor here.—News, Nelson.

* * *

A. L. Simpson, of the Bank of Commerce staff, has been transferred to Walkerville to the branch there.—Canadian, Carleton Place.

* * *

James C. Dow, who has been assistant manager of the King and James streets branch of the Bank of Commerce for the last two years, leaves that office to take an important position in the Montreal branch of the bank.

Prior to being appointed to his present position at the main branch of the bank, Mr. Dow was for 18 years assistant manager of the King and Hughson streets branch.

His many friends regret his departure from the city, but are gratified at his rapid advancement and wish him continued success.—Spectator, Hamilton.

BANK OF N.S. HAD HIGHER PROFIT ON SMALLER LOANS

At the Same Time the Bank's Liquid Position Was Strengthened

Although the total of current loans of the Bank of Nova Scotia at the end of 1925 were $6,500,000 less than shown in the previous annual report, the bank was able to show a nice increase in profits, which totalled $2,137,920, compared with $2,110,028 in 1924 and $2,104,532 in 1923. After distributing 16 per cent. in dividends to the shareholders and making allowances for taxes and pensions, the substantial sum of $112,920 was added to the balance, this being an additional surplus to the $19,500,000 reserve, against the $10,000,000 paid up capital. Following are comparative figures of the profit and loss account:

Income Account

	1925	1924	1923
Profits	$2,137,920	$2,110,028	$2,104,532
Pension	75,000	75,000	75,000
Tax on circ.	100,000	100,000	100,000
Premises	250,000	250,000	250,000
	$ 425,000	$ 425,000	$ 425,000
	$1,712,920	$1,685,028	$1,679,532
Dividends	1,600,000	1,600,000	1,600,000
	$ 112,920	$85,028	75,932
Bal. forward	337,723	252,695	173,163
Balance	$450,643	$ 337,723	$ 252,695

Ten Years' Record

Year	Profits	% on Cap.	Div.	% on Invest.
1925	$2,137,920	21.3	16	7.1
1924	2,110,028	21.1	16	7.1
1923	2,104,532	21.0	16	7.2
1922	2,122,682	21.2	16	7.2
1921	2,111,733	21.7	16	7.1
1920	2,327,423	23.9	16	8.1
1919	1,925,478	19.8	16	6.8
1918	1,411,925	21.7	14	7.4
1917	1,295,315	19.9	14	6.8
1916	1,252,038	19.2	14	6.8

The bank's total assets of $244,455,833 showed an increase of nearly $10,000,000. Savings were higher by $6,350,321, and demand deposits by $3,163,055. While current loans were smaller, as previously stated, it might perhaps be explained in this connection that the policy of Canadian banks has not been so much to curtail their new loans to business as to get some of their outstanding loans reduced. Non-current loans were cut down by about $120,000. The bank substantially increased its loans outside Canada and its call loans in Canada as well as investments in securities. The liquid position was strengthened by the investment of $6,173,000 in government securities and an increase of $1,540,000 in holdings of Dominion notes. Following are comparative figures from the balance sheet:

IMMEDIATELY AVAILABLE LIQUID ASSETS

	1925	1924	
Specie	$9,295,561	$9,467,089—	$171,528
Dom. Notes	22,956,903	21,416,576+	1,540,327
Note cir. dep.	473,820	489,529—	15,709
Notes, bk.	1,024,231	1,087,166—	62,935
Call loans, ab'd.	9,176,863	10,376,295—	1,199,432
Bank bal. ab'd.	2,481,448	2,213,549+	267,899
Gov. secs.	33,440,738	27,267,804+	6,172,934
Cheques	11,928,733	13,397,691—	1,468,958
Gold res.	6,000,000	6,250,000—	250,000
For. curr.	2,083,701	2,312,325—	228,624
	$98,861,998	$94,278,024+	$4,583,974
% total assets	40.45	40.17+	.28
% total liab. to pub.	46.17	46.10+	.07
Other Assets			
Pub. secs.	$11,099,059	$10,832,815+	$266,244
Other secs.	14,388,372	11,196,002+	3,192,370
Call loans in Can.	15,972,356	13,309,796+	2,662,560
Curr. loans	70,802,114	77,338,034—	6,535,902
Elsewhere	19,666,700	14,508,429+	5,158,271
Real Estate	59,737	90,522—	30,785
Premises	7,500,703	7,823,089—	322,386
Non-c'rr. loans	488,238	608,135—	119,897
Other assets	205,666	265,779—	60,113
	145,593,835	140,482,579+	5,111,256
	244,455,833	234,760,603+	9,695,230
Liabilities to Public			
Circulat'n	$14,700,310	$14,143,160+	$ 557,150
Dem. dep.	36,293,619	33,130,564+	3,163,055
Savings	163,163,219	146,812,898+	6,350,321
Due banks	1,559,270	3,322,000—	1,762,730
Lets. of cred.	5,410,890	4,509,978+	900,912
Due else.	1,472,265	2,200,392—	728,127
Bills pay.	1,258,863	401,416+	857,447
Other liab.	244,453	.......+	244,453
	$214,102,889	$204,520,408+	$9,582,481
To Shareholders			
Capital	$10,000,000	$10,000,000	......
Reserve	19,500,000	19,500,000	......
Dividends	402,300	402,472—	172
Balance	450,644	337,723+	112,921
	$30,352,944	$30,240,195+	$ 112,749
Total liab.	$244,455,833	$234,760,603+	$9,695,230

DOMINION BANK DEPOSITS

In reviewing the very satisfactory annual report of the Dominion Bank in last week's issue, reference was made to the substantial increase in deposits. This increase, very largely in savings bearing interest, amounted to about $5,000,000, as shown in the summary of the various items, the $500,000 mentioned in the introduction being a typographical error.

Liquidating Assets of Defunct Vancouver Bank

VANCOUVER.—Considerable progress has been made in the liquidation of the defunct Bank of Vancouver. Through collection of outstanding debts, funds are being accumulated and the note issue of approximately $400,000 has now been paid in full. A start also has been made towards payment of the provincial government deposit of $102,800, in the bank at the time of the failure on Dec. 14, 1914.

The bank liquidator has been able to collect debts owing through litigation in Yokohama, Hong Kong, San Francisco, Chicago and many eastern Canadian points. In addition, negotiations are under way for the sale of a large block of realty south of Vancouver. There are roughly $252,000 in deposits still to be cared for. Dividends are unlikely for another two years.

The Bank of Nova Scotia advises that a branch of the bank will be established at Nanton, Alberta, on the 1st proximo.

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES	Jan. 22, 1925	Jan. 21, 1926
Halifax	$ 2,735,945	$ 2,921,261
St. John	2,260,549	2,841,616
Moncton	703,516	786,977
Sherbrooke	680,236	712,506
Quebec	5,278,775	4,989,610
Montreal	90,361,641	96,896,994
Ottawa	7,283,096	7,410,493
Kingston	601,818	700,973
Peterboro	709,206	664,622
Toronto	92,406,844	97,115,628
Hamilton	4,267,644	4,909,193
Brantford	732,317	914,132
London	2,973,357	2,750,775
Kitchener	849,412	902,479
Windsor	2,631,865	3,309,987
Total, East.	$214,476,221	$227,827,236

WESTERN CITIES	Jan. 22, 1925	Jan. 21, 1926
Fort William	$ 695,898	$ 777,767
Winnipeg	39,414,228	45,811,308
Brandon	570,759	513,775
Regina	3,550,073	4,413,878
Moose Jaw	1,117,163	1,072,675
Saskatoon	1,322,375	1,682,111
Prince Albert	340,201	317,610
Lethbridge	485,776	601,080
Edmonton	4,849,298	4,733,804
Calgary	7,527,593	8,630,395
Victoria	1,736,403	2,025,073
New Westminster	474,061	740,391
Vancouver	15,639,051	16,819,244
Total, West.	$77,672,869	$88,139,111

THE CANADA PERMANENT TRUST Co.
20 Toronto St., Toronto
Paid up Capital $1,000,000
Acts as Executor, Trustee and Agent.
You are invited to confer with the Officers of the Company.

Low Mortality.
The Great-West Life selects its risks with extreme care.
Its low mortality contributes to the liberal profits enjoyed by participating policyholders, THUS REDUCING THE ACTUAL COST OF PROTECTION.
Protection with Profit
The Great-West Life Assurance Company

NINETY-FOURTH ANNUAL REPORT OF The Bank of Nova Scotia

CAPITAL PAID-UP - - - $10,000,000
RESERVE FUND - - - - $19,500,000

PROFIT AND LOSS

Balance Dec. 31st, 1924	$ 337,723 96	
Net profits for year, losses by bad debts estimated and provided for	2,137,920 43	
	$ 2,475,644 39	
Dividends for year at 16%	$ 1,600,000 00	
War Tax on circulation to December 31st, 1925	100,000 00	
Contribution to Officers' Pension Fund	75,000 00	
Written off Bank Premises Account	250,000 00	
Balance carried forward December 31st, 1925	450,644 39	
	$ 2,475,644 39	

GENERAL STATEMENT AS AT DECEMBER 31st, 1925

LIABILITIES

Capital Stock paid in		$10,000,000 00	
Reserve Fund		19,500,000 00	
Balance of Profits, as per Profit and Loss Account		450,644 39	
Dividends declared and unpaid		402,300 00	
			$30,352,944 39
Notes of the Bank in circulation		14,700,310 23	
Deposits not bearing interest	$ 36,293,619 49		
Deposits bearing interest, including interest accrued to date	153,163,219 36	189,456,838 85	
		204,157,149 08	
Balances due to other Banks in Canada		1,559,269 95	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		1,472,264 89	
Bills Payable		1,258,862 60	
			208,447,546 52
Letters of Credit outstanding			5,410,890 24
Other Liabilities not included in the foregoing			244,452.01
			$244,455,833 16

ASSETS

Current Coin	$ 9,295,560 93	
Dominion Notes	22,956,902 75	
United States and other foreign currencies	2,083,701 21	
Notes of other Banks	1,024,231 40	
Cheques on other Banks	11,928,732 44	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,481,447 83	
	49,770,576 55	
Deposit in the Central Gold Reserves	6,000,000 00	
Dominion and Provincial Government securities, not exceeding market value	33,440,738 17	
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	11,099,059 04	
Railway and other bonds, debentures and stocks, not exceeding market value	14,388,372 21	
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	15,972,356 37	
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	9,176,863 11	
		139,847,965 45
Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		70,802,114 02
Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		19,666,700 30
Liabilities of customers under Letters of Credit, as per contra		5,410,890 24
Non-current loans, estimated loss provided for		488,238 34
Bank Premises at not more than cost, less amounts written off		7,500,703 26
Real Estate other than Bank Premises		59,736 95
Deposit with the Minister of Finance for the purposes of the circulation fund		473,820 40
Other assets not included in the foregoing		205,664 20
		$244,455,833 16

G. S. CAMPBELL, President. J. A. McLEOD, General Manager.

Auditors' Report to the Shareholders:

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1925, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were verified by us at the close of business on December 31st, 1925. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We certify that in our opinon the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

Toronto, Canada, 19th January, 1926.

D. McK. McCLELLAND, F.C.A., of Price, Waterhouse & Co.
A. B. SHEPHERD, C.A., of Peat, Marwick, Mitchell & Co.
Auditors

THE DOMINION BANK

Fifty-fifth Annual Statement

The Fifty-fifth Annual General Meeting of The Dominion Bank was held at the Head Office in Toronto, on Wednesday, January 27th, 1926, at which the following Statement of the Profit and Loss Account and the Liabilities and Assets of the Bank as on December 31st, 1925, was presented:

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st December, 1924....		$ 900,124 87
Profits for the year, after deducting charges of management and making full provision for bad and doubtful debts.........		1,156,840 43
		$ 2,056,965 30
Which amount has been disposed of as follows:		
Dividends (quarterly) at Twelve per cent. per annum	$ 720,000 00	
Bonus, one per cent....................................	60,000 00	
Total distribution to Shareholders of Thirteen per cent. for the year..		$ 780,000 00
Contribution to Officers' Pension Fund.....................		45,000 00
Dominion and Provincial Government Taxation...............		167,667 14
Written off Bank Premises.................................		100,000 00
Balance of Profit and Loss Account carried forward..........		964,298 16
		$ 2,056,965 30

GENERAL STATEMENT

LIABILITIES

Capital Stock paid in...			$ 6,000,000 00
Reserve Fund..		$ 7,000,000 00	
Balance of Profit and Loss Account carried forward...........		964,298 16	
Dividend No. 173, payable 2nd January, 1926.................		180,000 00	
Bonus, one per cent., payable 2nd January, 1926..............		60,000 00	
Former Dividends unclaimed....................................		72 00	
			8,204,370 16
Total Liabilities to the Shareholders.................			$ 14,204,370 16
Notes of the Bank in Circulation...............................		$ 7,117,396 00	
Deposits not bearing interest....................	$19,942,148 42		
Deposits bearing interest, including interest accrued to date..........................	76,285,014 44		
		96,227,162 86	
Advances under the Finance Act..............................		- - - - -	
Balances due to other Banks in Canada........................		2,628,403 57	
Balances due to Banks and Banking Correspondents elsewhere than in Canada..		1,204,407 07	
Bills Payable...		70,075 77	
Letters of Credit Outstanding.................................		5,888,697 85	
Liabilities not included in the foregoing....................		592,623 01	
Total Public Liabilities..................................			113,728,766 13
			$127,933,136 29

ASSETS

Gold and Silver Coin, current..................................	$ 2,124,660 41	
Dominion Government Notes......................................	10,346,995 25	
Deposit in the Central Gold Reserves........................	1,200,000 00	
Notes of other Banks..	773,100 00	
United States and other Foreign Currencies..................	167,869 39	
Cheques on other Banks..	8,567,251 01	
Balances due by other Banks in Canada........................	15 40	
Balances due by Banks and Banking Correspondents elsewhere than in Canada...	2,938,405 41	
	$ 26,118,296 87	
Dominion and Provincial Government Securities, not exceeding market value..	17,085,344 57	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value..	5,280,475 82	
Railway and other Bonds, Debentures and Stocks, not exceeding market value..	2,918,305 91	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover....................	15,558,056 38	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover........	4,630,707 87	
		$ 71,591,187 42
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtfull debts..	$ 43,085,679 33	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts....................................	498,012 04	
Liabilities of Customers under Letters of Credit, as per contra..	5,888,697 85	
Real Estate other than Bank Premises.........................	71,913 16	
Non-Current Loans, estimated loss provided for...............	279,884 29	
Bank Premises, at not more than cost, less amounts written off.	5,937,823 18	
Deposit with the Minister of Finance for the purposes of the Circulation Fund...	314,650 00	
Mortgages on Real Estate sold..................................	20,286 37	
Other Assets not included in the foregoing..................	245,002 65	
		56,841,948 87
		$127,933,136 29

NOTE—Included in Call and Short Loans in Canada are advances against documents covering Grain and Flour, aggregating $7,877,599.00.

A. W. AUSTIN, *President.* C. A. BOGERT, *General Manager.*

AUDITORS' REPORT TO SHAREHOLDERS

WE REPORT TO THE SHAREHOLDERS OF THE DOMINION BANK:—

That we have audited the above Balance Sheet as at December 31st, 1925, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, C.A.
of Peat, Marwick, Mitchell & Co.
PERCY C. BAXTER, C.A.
of Macintosh, Cole & Robertson.

TORONTO, January 19th, 1926.

The meeting was addressed with regard to the Bank's affairs by Messrs. A. W. Austin, President, C. A. Bogert, Vice-President and General Manager, and C. S. Blackwell, Chairman of the Board. Brief reviews of present day business conditions in Canada were also given.

Appropriate reference was made to the death on April 24th last of Sir Augustus M. Nanton, a Director of the Bank since 1907 and President since August, 1924.

The following gentlemen were elected Directors: Messrs. A. W. Austin, C. S. Blackwell, C. A. Bogert, R. J. Christie, R. Y. Eaton, E. W. Hamber, Wilmot L. Matthews, R. S. McLaughlin, W. W. Near, F. Gordon Osler, A. T. Reid and H. H. Williams.

At a subsequent meeting of the Directors Mr. A. W. Austin was elected President, Mr. C. A. Bogert, Vice-President, and Mr. C. S. Blackwell, Chairman of the Board.

A. W. AUSTIN, *President.* C. A. BOGERT, *General Manager.*

CAHAN PUTS THE FUEL ISSUE UP TO THE GOVERNMENT

Urges Development of a Canadian Coal Supply For Canadians

OTTAWA.—"So long as Canada is dependent upon the coal miners of the United States for its fuel supply, just so long must Canada bend the knee to the United States whenever they make, as they have made, unjust demands upon the people and the government of this country. And until we secure in Canada an adequate fuel supply independent of the United States, Canada's political, economic and financial independence of the United States cannot be fully assured."

This warning was given by C. H. Cahan, Conservative member for St. Lawrence and St. George riding in Montreal, and a native of Nova Scotia, in a brief but able speech in the house of commons in connection with the debate upon the distress among the coal miners in Cape Breton. While the discussion was specially connected with the Cape Breton situation, however, at the opening of the same sitting E. J. Garland, Progressive member for Bow River (Alberta) read a telegram showing that there is distress in the coal fields of that province as well as down by the Atlantic. The existence of distress for lack of work in two of the chief coal fields in the Dominion, while at the same time there is a shortage of coal in the central provinces, furnished a striking evidence of the absence of a sane national coal policy throughout the country.

Hon. Charles Stewart, Minister of the Interior, within whose purview the coal question particularly comes, admitted frankly that the problem was a serious one. In fact he said explicitly that "coal is just as important to the people of the central region of Canada as bread." He admitted, too, that the present government of which he is a member, had "exhibited some hesitancy in coming to a conclusion" upon that problem. He then went on to discuss the various issues at some length, and he promised to take steps to assist in tiding over the immediate emergency in Nova Scotia; but he did not give any definite lead towards a solution of the wider problem of putting the supply of fuel in Canada upon a national basis.

He did, however, make two announcements as to what the government proposes to do for the present in regard to this issue.

Dealing first with the tariff, he declared that "this government does not propose to increase duties on coal or on any other commodity. This government will," he added, "within a few days name a commission whose duty it will be to investigate every industry in this Dominion and to prepare a report in order that we may know definitely where we stand with respect to any of those industries."

Further, he dealt with the question of encouraging the use of Canadian fuel by the reduction of railway rates on this commodity.

"The whole matter of rate structure," he said in this connection, "is before the railway board, and they are dealing with it. The whole matter might very well be threshed out before that board. As regards the fuel board, I have asked for a hearing for that board, and I propose to send them before the railway board to point out the situation as we see it in respect to the acute fuel area in central Canada and the possibility of obtaining supplies both east and west."

It was hardly within the province of the leader of the Opposition, Rt. Hon. Arthur Meighen, to propose a policy; but he did go so far as to lay down one settled principle on which he proposed to act, and that was that he would take steps to preserve the Canadian market for the Canadian producers.

"Now, as I see it," he said, "this goes to the kernel of the whole policy of this country as respects coal, and other commodities as well of the same character and within the same category as coal. We are never going to solve the coal problem of Canada by standing timidly by and shiveringly asserting: We dare not put on a little more duty; we dare not put up a little of the freight; we dare not do anything for fear the United States will raise the big club against us.

"I will not say," he continued, "that you can all at once adopt any means by which Nova Scotia coal on the one hand and Alberta coal on the other will be carried right into the very centre of this country and supply the whole need of Canada at once. I only know two lines on which we can proceed to widen the area, widen the circulation of the consumption, both for Alberta and for Nova Scotia. On neither of these lines have the government the courage to proceed. We must assist transportation; we must assist as well by stronger protection for the basic industries of the country; and we can only do that, as everybody well knows, as part of a great general policy applicable to the whole production of the country."

COST ACCOUNTING

You are invited to consult W. S. Ferguson, C.A., at Shaw Schools, 46 Bloor West, Toronto, by letter or otherwise, about this course. Dept. P. Phones—RAndolph 0830-0831.

The Foreign Exchanges

Conducted by S. J. ZACKS.

Trading in the foreign exchanges during the past week was light, with no major movements in any particular currency. There has been very little interest in United States funds, which have held quite firmly; the closing bid on Wednesday's offering was 3/16 cent premium.

There has been a slight reaction in the Italian lire, which closed at 4.04¼ as opposed to 4.05 at close of the previous Wednesday. It is thought the weakness is the result of an experiment of the financial officials at Rome. The Italian Institute of Exchange suspended support for the lire at New York, in order to find out whether the present level was the normal level.

Sterling continues to show strength, cables closing at $4.87½ on Wednesday in Toronto. Central European balances as well as American balances continue to flow to London, where higher money rates prevail. Industry in England looks very hopeful for 1926, the metal trades, the silk, and artificial silk industries, being particularly promising. On the other hand, Germany's army of unemployed grows larger, having reached 1,600,000. The German price level has been too high relative to world market prices, and the deflationary policy of the Reichsbank is largely responsible for the present crisis. Economic conditions in Germany will eventually be much sounder. The commodity in great demand at present is fresh capital.

The French franc has shown signs of weakness, reacting slightly during the past few days. The political situation is still a trying and uncertain one, with but slight signs of constructiveness in the background. The most encouraging news from France is that Ambassador Henri Berenger, will follow the Italian procedure in negotiating the U. S. debt settlement. France will endeavor to secure terms similar to those granted Italy.

The Japanese yen again had an active week, closing at 45.13 up .14. There are many who fear that the soaring of the yen, on speculative buying, has been too rapid, especially in view of the fact that Japan's period of heaviest borrowing is just beginning. A slight reaction is possible.

Brazilian was off slightly, closing at $14.86 down $.32.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Jan. 21	3-16	11-64	3-8	5-16
Jan. 22	11-64	11-64	5-16	9-32
Jan. 23	3-16	11-64	9-32	1-8
Jan. 25	13-64	13-64	3-16	5-32
Jan. 26	7-32	13-64	5-32	1-16
Jan. 27	7-32	13-64	1-8	1-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 21	4.85⅞	3.73½	4.03¾
Jan. 22	4.85⅛	3.74¾	4.03¼
Jan. 23	4.85⅞	3.74¼	4.03⅛
Jan. 25	4.86	3.72¼	4.03
Jan. 26	4.86	3.71¼	4.02¾
Jan. 27	4.85⅞	3.73¾	4.03

OTHER EXCHANGES

Par		Close Jan. 20	Close Jan. 27
19.30	Italian	4.05	4.04¼
23.82	German	23.85	23.85½
32.45	Brazilian	15.18	14.86
19.30	Belgium	4.55¼	4.55½
49.85	Japan	44.96	45.13

20% DISCOUNT
on a Block of
$5,000 COMMON STOCK
of the
CURTIS COMPANY LIMITED
Windsor, Ont.

This company is successful and the earnings have averaged better than 15 per cent. over a 10 years' period.

Address, Box 12, Financial Post

A—DO YOU NEED CAPITAL to expand your business?

WE ORGANIZE, REORGANize, incorporate and finance industrial business propositions anywhere in Canada. Expert staff of financial men at your disposal. Stock selling campaigns managed. Bank references.

LOCATORS, INDUSTRIAL FINANCIERS, 331 Bay Street, Toronto.

Manager for one of the "Big Four" banks, important town in Nova Scotia, on account of close confinement desires change of occupation. Well acquainted throughout Maritime Provinces and Newfoundland. Age 40. Reputation will bear closest scrutiny. Would like to represent manufacturer of staple lines, wholesaler or bond corporation. For further confidential particulars or to arrange interview.

Box 6, "Financial Post," Toronto

"Town of Leaside" Sale of Debentures

Tenders will be received up to Monday, the 15th February, 1926, for the Town of Leaside Local Improvement Debentures as follows:

Sidewalks, 10 years, repayable in annual instalments, $7,105.08.

Tile Sewers, 20 years, repayable in annual instalments, $18,240.67.

Watermains, 20 years, repayable in annual instalments, $18,323.25.

The Debentures in each case will have coupons attached for interest at 5½% payable yearly.

Debentures will be dated February 20th, 1926, and can be delivered on or about that date.

Legal opinion of J. B. Clarke, K.C., will be furnished to the purchaser.

Address tenders to:
A. T. LAWSON, Treasurer,
Town of Leaside, Leaside P.O., Ont.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Monday, the FIRST day of MARCH next, to Shareholders of record of 30th January 1926.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 19th January, 1926.

The Royal Bank of Canada

DIVIDEND No. 154

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Monday, the first day of March next, to shareholders of record at the close of business on the 30th day of January.

By order of the Board,
C. E. NEILL,
General Manager.
Montreal; Que.; January, 19, 1926.

THE MONTREAL CITY AND DISTRICT SAVINGS BANK.

The Annual Meeting of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the eighth of February next, at twelve o'clock noon, for the reception of the Annual Reports and Statements and the Election of Directors.

By order of the Board,
A. P. LESPERANCE,
General Manager.
Montreal, January 4th, 1926.

The Canadian Bank of Commerce

Dividend No. 156

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1926, payable at the Bank and its Branches, on and after Monday, 1st March next, to shareholders of record at the close of business on the 13th day of February, 1926. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 15th January, 1926.

ONTARIO

SALE OF HARDWOOD TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including the 15th of April, 1926, for the right to cut the Hardwood Timber, comprising Birch and Maple; on an area in the District of Algoma, partly in the Mississaga Forest Reserve and partly in the section immediately South thereof, subject, amongst other conditions, to the manufacture of same into the finished product within the Province of Ontario.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or the Deputy Minister of Lands and Forests, Toronto, Ontario.

JAMES LYONS,
Minister of Lands and Forests.

N.B.—No unauthorised publication of this Notice will be paid for.
TORONTO—January 22nd, 1926.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of Two Dollars and fifty cents ($2.50) per share for the quarter ended the 31st December, 1925, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Wednesday, the 20th day of January, 1926, at 4 o'clock p.m., payable on Monday, the 1st day of February, 1926.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.
January 13th, 1926.

THE
A. W. CHASE COMPANY
LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular 2% quarterly dividend on the 8% preferred stock of this Company has been declared for the quarter ending February 1st, 1926, payable February 10th, 1926, to shareholders of record February 1st, 1926.

By order of the board,
W. J. STONE,
President.
Toronto, Jan. 18th, 1926.

To the Trade

Notice is hereby given that The Barrett Company, 40 Rector Street, New York, N.Y., exclusive licensee of Canadian patent No. 135,250 for Process for Producing Felt Making Materials, is prepared to ensure all reasonable demands of the Canadian public for the manufacture in Canada of felt making materials produced by the process defined by said patent.

ASK BONDHOLDERS TO REDUCE CLAIMS ON MUNICIPALITIES

(Continued from page 1)

continuance of the adverse conditions the assistance given by the government amounted to such large proportions that the legislature in 1924 authorized and appointed the committee to investigate the whole situation. Recommendations were made by the committee and at the session of 1925 an act was passed authorizing the creation of a commission respecting the suburban municipalities about Winnipeg. The personnel of the commission being largely representatives from the municipalities concerned, naturally perhaps had the interests of the residents in mind more than those of the bondholders.

The attitude of the representatives of the bondholders is that the excellent crop of last season, together with the increased prices of all farm products, has created a more favorable outlook and indicates a decided improvement in economic conditions, which, if continued, should go far to influence the government's decision against the reduction of the amount that is outstanding to the debenture holders of the municipalities involved. It is hoped, however, that some satisfactory arrangement can be worked out.

The municipalities which owing to their financial condition have found it necessary to place themselves under the control of the commission are:

R. M. St. James, which is the more thickly settled suburban and residential district of R. M. Assiniboia, St. James assumed all of the indebtedness of Assiniboia with the exception of a small amount, as the debt consisted of debentures issued for improvements in St. James. These bonds were issued in the main by R. M. Assiniboia.

R. M. of West Kildonan.

Town of Transcona.

St. Vital.

The following school municipalities: Woodlawn, Transcona, St. Vital, St. James, West Kildonan.

MT. ROYAL HOTEL EXCHANGE PLAN NOT SUPPORTED

Directors Fail to Get 75% Support of Preferred Holders

From Our Own Correspondent.

MONTREAL.—Through failure of preferred shareholders and debenture holders of Mount Royal Hotel Co. to desposit the necessary 75 per cent. of their securities in approval of the plan for capital reorganization recently presented by the administration, the special general meeting was adjourned with no action taken.

The proposed exchange that had been submitted to shareholders specified that for each preference share, or each $100 in par value the convertible debentures surrendered, the holder would receive $60 in par value of new 6 per cent. general mortgage bonds, the interest on these to be guaranteed by the United Hotels Co. of America; $48 in par value of new income sinking fund gold bonds, and $2 in cash.

Opposition to the plan was led by W. A. Mackenzie, whose firm was identified with the financing of the project. Mr. Mackenzie was present representing, according to his declaration, more than one-half of the preferred stock, and he outlined his opposition to the plan, and had inscribed on the records a formal motion against the adoption of the by-laws which would put it into effect.

President F. A. Dudley had prepared a review of the operation of the hotel from its inception, which he read to shareholders and which was, in part, as follows:

Your directors, after weighing all considerations have concluded that while there will be variations in gross and net it would not be fair to the shareholders not to show them the exact condition in respect to present and future earning and it was for that reason, and that only that the plan of the directors was worked out and presented to the preference shareholders.

They have not been coerced or urged to accept the plan of the directors, and the directors only wish to state that the plan indicated in their judgment is the best plan, having solely in mind the interests of the preference shareholders.

"All features have received the careful consideration of your directors in their endeavor to present to the shareholders a plan which would give them a real protection and a security of greatly increased value with the largest fixed return that in the judgment of the directors seems possible to obtain without diminution of the principal of their investment and providing for the payment of one-half in cash and securities of the accumulations on the preference shares already accrued.

"If the preference shareholders, through lack of understanding of the facts or influenced by brokers who have their own selfish ends to gain, decline to co-operate with the directors in carrying through the plan which the best financial judgment obtainable concurs in as being solely desirable for the preference shareholders and the plan fails, then the responsibility for such failure must rest upon these who have through a spirit of vindictiveness or for personal advantage sought to becloud and misrepresent the honest purpose of the directors and officers, who have given of their time and efforts without compensation or hope of reward for the benefit of those who invested their moneys in the Mount Royal."

Mr. Dudley reviewed the progress of the company from its inception, pointing out that earnings for the three year period ending December 31, 1925, had averaged less than 2 per cent. on the preferred stock and declaring that much of the company's earnings were derived through continuous and consistent effort on the part of the parent company, the United Hotels Co.

The president had some interesting things to say on the earnings of the company during the past year; his remarks in part follow:

"Based on gross business for 1925 and the fixed charges which will have to be met, there will remain but $300,092 available for bond sinking fund, principal of notes payable and dividends on preference stock. Good financing impresses us with the wisdom, however, of not paying out every dollar of earnings in dividends. There seems to be always developing in industry, expenditures of sums not provided for, and this is particularly true in the hotel business. Further, the furniture of the Mount Royal and considerable of the furnishings are showing wear to such an extent that many replacements will have to be made during the year 1926 and new and additional furniture purchased. A forecast of the amount of necessary expenditure for new furnishings and equipment which will have to be added to the capital account, and not provided for in depletion and depreciation accounts, in order to maintain the Mount Royal at the standard of a first class hotel will require an expenditure of approximately $100,000."

The meeting of shareholders of the Mount Royal Hotel Company, which was called to consider proposals for changes in the capitalization, was finally adjourned until April 5. This was done with a view of enabling the address of F. A. Dudley, the president of the company, to be placed in the hands of all shareholders, in order that they might have complete information regarding the growth and development of the business of the hotel.

The scrutineers report that the proposal of the directors of the company that the meeting be postponed for a few months was carried by a majority of several thousand votes.

PRICES MOVE UPWARD

That the trend of commodity prices has moved steadily upward since last September has some implication with regard to the expected upward movement of business. Rising prices are usually accompanied by betterment in business unless induced by artificial causes. In this instance the upward movement of the commodity price index of the Dominion Bureau of Statistics from 156.5 in September to 163.5 at the end of the year indicates rather decidedly the feeling of optimism that exists as to the business prospects for this year.

Public Servant Quits Because Income Unearned

SYDNEY.—Admitting frankly that he is unable to render value for the yearly stipend granted him as ferryman, and recommending a rival boatman further up the coast to receive a larger allowance because he handles most of the traffic, James W. Burke, of Main-a-Diue district, presented to the Cape Breton County Council a letter that is regarded as unique in municipal politics.

Mr. Burke says that although he has advertised his ferry as much as he is able, he has carried only two passengers during the past year. Mr. Wadden, on the other hand, a ferryman who lives some miles up the coast and has a telephone, handles practically all the traffic between the mainland and Scaterie Island. Mr. Burke therefore advises the council that he considers the yearly payment to himself and others as a waste of money and recommends that it be stopped, at the same time asking that Wadden get more because of the heavier business he handles.

"I consider it is not honest to accept money for a service I cannot give," says the letter.

STILLMAN HAS HOPE FOR SUPPLY OF OIL IN CANADA

Encouraging Results Are Obtained in Prospecting in West

An interesting feature of the address of President C. O. Stillman, of the Imperial Oil Company, at the annual meeting, was a review of the company's operations in Western Canada, where considerable success is being met. During the year the company's new construction, while involving heavy expenditures, was chiefly related to the modernization of the six refineries, which were constructed to provide for the demand for petroleum products for several years to come and which are being maintained in a high state of efficiency. In this connection, Mr. Stillman said that all of the hundreds of commodities sold by Imperial Oil are manufactured entirely in its oil plants and its annual wage bill is probably the largest in the country outside of the transportation companies.

In connection with the situation in Western Canada, Mr. Stillman said:

Upon the subject of a domestic supply of crude petroleum, we can say this year for the first time there is some hope, although it is too early to speak yet with any degree of certainty. As a net return for upwards of four millions spent in the search for oil along the foothills of the Rocky Mountains, in the Arctic, and across the plains of Alberta and Saskatchewan, we have one well that can be deemed successful. Royalite No. 4 well, owned and operated by the Royalite Oil Company, a subsidiary of Imperial Oil, Limited, which came in during October, 1924, and which was brought under control in December of that year, has produced steadily throughout the past year at an average of close to 500 barrels of crude naphtha per day, and up to the present moment shows no apparent diminution.

During the year the Royalite Company has undertaken the drilling of two more wells in the Turner Valley field, at both of which, owing to the difficult nature of the formation, progress has been slow, but it is hoped that both will be completed within the next six months, when it will be possible to estimate with greater certainty the potentialities of the field.

In the meantime, the Royalite Company has completed a pipe line for the delivery of its product to the Imperial refinery at Calgary, a matter of 35 miles, thereby effecting a considerable saving. Through a contract with the public utility corporation supplying gas to Calgary, the Royalite Company is also now delivering natural gas, to a possible maximum or peak load of fourteen million feet per day, from No. 4 well, through the new scrubbing plant recently completed, into the gas company's new 10-inch line recently in operation from Turner Valley to Calgary. This arrangement furnishes householders and industrial institutions of Calgary with an adequate and dependable supply of natural gas of a very high quality. In pursuance of its policy of development, Imperial Oil, Limited, through a newly-incorporated subsidiary, the Dalhousie Oils, Limited, has taken over control of the holdings of the Southern Alberta, and affiliated companies in Turner Valley, and development of these holdings is now going forward. In Jumping Pound, to the north of Turner Valley, and in the Highwood River area to the south, the company has also taken over considerable areas on lease, arrangements for the testing of which are now in hand.

Through an arrangement contemplated with the Hudson's Bay Company, which corporation has for many years helpfully and efficiently co-operated with Imperial Oil, Limited, in its exploratory campaign in the Canadian West, the production of crude oil now available at Fort Norman may be sold to the Hudson's Bay Company for use in its operations in that territory. The small plant which will refine this crude will be the most northerly refinery in the world, and it will undoubtedly add to the development of the trade possibilities of that area. Imperial Oil, Limited, does not contemplate further drilling operations at Fort Norman at present.

Port Hope Sanitary Common Again Rising

New strength in Port Hope Sanitary common shares, in which there is unusual investment interest because of the company's policy of retiring its preferred shares, has been accompanied by the report that the year ending January 31 will show very satisfactory earnings. Following a period of dullness in the building industry, there has been a comparative revival and the ever-increasing use of sanitary equipment has led to a marked increase in the company's business. It is understood that, after paying the preferred dividends, profits for the year will show approximately $200,000 on $750,000 of common stock outstanding, or about $27 per share.

How the U.S. Tariff Board Protects Home Industry

(Continued from page 1)

provision extended to import trade almost the same regulation imposed by the Federal Trade Commission on unfair competition in domestic interstate commerce. By its drastic provisions it serves to check unfair price cutting, commercial bribery, full-line forcing and other types of unfair competition.

International Competitive Conformity

The foreign discriminations section provided that where the president found, after investigation by the U.S. Tariff Commission, any one of a wide number of specified unfair discriminations he might levy increased duties or enforce exclusion of imports as in the unfair practices clause.

This provision, while not the most important, raises a number of questions appropriate at the present moment. The United States, with its professed desire for international commercial co-operation, has within recent years viewed with some uneasiness the systems of import and export preferences characterizing the colonial policies of the leading nations.

While indiscriminate use of the penalties of this provision are not contemplated by Congress it is evident that the United States no longer regards preference schemes, such as the Canadian imperial preferences, as matters of purely domestic concern to the countries involved.

Contingent tariff duties in the Tariff Act of 1922 have also had their effect, especially in the fixing of duties towards Canada, and the commercial relationships of the United States with other countries are now a matter of paramount interest.

Difficulties of Flexibility

Two difficulties, if not dangers, are inherent in these provisions—first, a possible misuse of power by the president or the commission, and, secondly, the lack of control over foreign supplies of raw materials. Concerning the latter factor the Tariff Commission reports, "The question may be raised whether the present law provides for industries of the United States sufficient safeguards from attacks made or threatened by other countries by way of export duties, restrictions or embargoes....Some of our largest industries, notably rubber and tin, are entirely dependent on imported raw materials, others, such as the leather and paper industries, would be seriously crippled by the cutting off of foreign supplies."

By these three provisions the United States has given wide discretion in tariff control powers to the president with which to combat almost any condition in international trade which would adversely affect the industrial or trade situation in the United States. It remains to be seen how successful they will be.

An Exhaustive Enquiry

In reaching the recommendations for the flexible tariff, committees of Congress worked for twenty months on the revision and endless controversy prevailed in the Committee on Ways and Means. When the bill did emerge its methods of assessment were so novel that the Senate Committee on Finance was quite dissatisfied with it and announced that it would revamp the bill from beginning to end.

During the months of preparation over ten thousand papers of information, vague and explicit, were printed and millions of dollars were disbursed directly on the revision of the tariff. Endless hearings, a deluge of letters, telegrams and briefs, interminable conferences, all these marked the revision as it dragged along.

So hopless did the situation seem that the U. S. Chamber of Commerce suggested the appointment of a tariff adjustment board which would carry out the general tariff policy of Congress. Such a board in the form suggested would probably have been declared unconstitutional but it did indicate the practical impossibility of framing a tariff under such political conditions.

Moreover, the impracticability of constructing a stable tariff which would assure either adequate protection or revenue in the face of movements of the business cycle at home and changing conditions abroad was evident.

All of These Bonds Have Been Sold.

New Issue — January 26, 1926

$25,000,000

Rheinelbe Union

(Gelsenkirchener Bergwerks A.G.
Deutsch-Luxemburgische Bergwerks-und Huetten A. G.
Bochumer Verein fuer Bergbau und Gussstahlfabrikation)

Twenty-Year 7% Sinking Fund Mortgage Gold Bonds

With Non-detachable Stock Purchase Warrants

$8,050,000 of bonds have been withdrawn for sale simultaneously in Europe by Messrs. Mendelssohn & Co., Amsterdam, Nederlandsche Handel Maatschappij, Pierson & Co., and others.

To be dated January 1, 1926 — Due January 1, 1946

To be authorized and issued $25,000,000. Interest payable January 1 and July 1. Principal and interest payable in New York at the offices of Dillon, Read & Co. and J. Henry Schroder Banking Corporation, in United States gold coin. Bondholders may, at their option, collect principal and interest, in London at the office of J. Henry Schroder & Co., in Pounds Sterling, or in Amsterdam at the offices of the above named Dutch banks, in Guilders, at the buying rate for sight exchange on New York on the date of presentation for collection. Coupon bonds in denomination of $1,000, registerable as to principal only. In addition to sinking fund redemption, bonds are callable as a whole, or in part by lot, on any interest date, after 30 days' notice, at the following prices and interest: to and including January 1, 1931, at 105; thereafter to and including January 1, 1936, at 102; thereafter at 100. The American Exchange Pacific National Bank, American Trustee. Deutsche Kreditsicherung A.G., German Trustee.

The companies agree to provide a sinking fund sufficient to retire the entire issue by maturity, by semi-annual call by lot (first redemption July 1, 1926) at 100 and interest, at the annual rate of $625,000 for the first ten years and $1,875,000 thereafter to maturity.

Principal and interest payable, to others than citizens and residents of Germany, without deduction for any taxes, past, present or future, levied by German governmental authorities.

From their letter to us, Dr. Oscar Sempell and Mr. Herbert Kauert, Managing Directors of Deutsch-Luxemburg and Gelsenkirchen, respectively, summarize as follows:

RHEINELBE UNION

The companies above referred to as the Rheinelbe Union—viz. Gelsenkirchener Bergwerks A.G., Deutsch-Luxemburgische Bergwerks-und Huetten A. G. and Bochumer Verein fuer Bergbau and Gussstahlfabrikation (also known as the Big Three Group)—are operated as a unit under existing inter-company agreements and together constitute the largest coal producing and iron manufacturing group in the old established coal and iron industry of the Ruhr district. They are also one of the largest steel manufacturers and produce a more diversified line of highly finished steel products than any other manufacturer in Germany. During the fiscal year ended September 30, 1925, they employed on an average about 106,000 men. The Rheinelbe Union is the largest unit in the pending consolidation of important German steel and coal companies in the Ruhr district. The Rheinelbe Union, together with the Siemens companies, which are among the largest electrical manufacturing concerns in the world, constitute, under inter-company agreements, the Siemens-Rheinelbe-Schuckert-Union, one of the strongest industrial combinations in Europe.

SECURITY

These bonds will be the direct joint and several obligations of the three companies, secured by a closed mortgage on all of the fixed assets of each company (except rolling stock, portable machinery, etc.) subject to approximately $17,000,000 of underlying mortgages, including obligations under the Dawes Plan based on the present assessment. Such fixed assets have been valued by Mr. H. A. Brassert, American consulting engineer, on the basis of present replacement costs in Germany, after allowance for depreciation and obsolescence, at over $214,000,000 (including land, and coal and ore reserves), or more than 5 times the sum of these bonds and all such underlying mortgages. Based on current quotations on the Berlin Stock Exchange, the outstanding common stocks of the three companies have an aggregate market value of about $50,000,000.

DIVIDEND RECORD

The pre-war dividend record of the three companies is as follows: Gelsenkirchen paid dividends every year for the entire 42 years of its existence prior to 1915 at rates averaging over 9% per annum. Deutsch-Luxemburg, organized in 1901, paid its first dividend, amounting to 8%, in 1905 and during each of the following eight years dividends of at least 10%. Bochumer Verein paid dividends every year for the 36 years prior to June 30, 1914, and during the entire 60 years of its history prior to that date paid dividends at rates averaging more than 8½% per annum. The above dividend rates were maintained notwithstanding substantial increases in capital of the respective companies. Because of abnormal financial and industrial conditions during and following the war, dividends paid by the companies since the beginning of the war are not significant.

EARNINGS

Combined earnings of the three companies for the fiscal year ended September 30, 1925, after deducting ordinary repair and maintenance charges and, in lieu of depreciation, all charges for replacements and improvements and certain capital additions, but before interest charges and profits taxes, as audited by Messrs. Price, Waterhouse & Co., in accordance with American accounting methods, amounted to over $8,400,000 or more than 4 times the sum of interest charges on these bonds and on existing underlying mortgages and estimated payments under the Dawes Plan for the year ending September 30, 1926, and more than 3.3 times the sum of the maximum annual interest charges on these bonds, on existing underlying mortgages and estimated maximum annual payments under the Dawes Plan. While no specific charge for depreciation has been made against the earnings, the expenditures charged off against profits in lieu thereof, for improvements, capital additions, etc., as reported by Messrs. Price, Waterhouse & Co., amounted to approximately $3,275,000 in addition to ordinary maintenance and repairs of approximately $5,000,000. Because of the enormous quantity of their coal reserves, obtained mostly by free grant from the Government, the companies make no specific provision for depletion.

EXPORT BUSINESS

Combined export sales of the three companies for the year ended September 30, 1925, amounted to over $29,000,000, including export sales of about $7,000,000 for reparations account for which payment is made in German currency.

STOCK PURCHASE WARRANTS

A non-detachable Warrant will be delivered with each bond, entitling the holder, on or before January 1, 1931, to purchase ten shares (par value 100 Reichsmarks per share) of the outstanding common stock of Deutsch-Luxemburg at the equivalent of 100% of par, viz. $23.80 per share. Warrants may be detached from bonds called for redemption on or before January 1, 1931. Berlin Stock Exchange quotations indicate that during the five years 1909-1913 Deutsch-Luxemburg common stock never sold below 128% of par and during three of those years reached a high quotation of over 200% of par. It is now quoted at about 89% of par.

The companies have agreed to make application to list these bonds on the New York Stock Exchange.

Conversions of German into United States currency have been made at par of exchange (one Reichsmark equals 23.8 cents).

We offer these bonds for delivery if, when and as issued and accepted by us, subject to the approval of legal matters by our counsel. It is expected that delivery will be made on or about February 3, 1926, in the form of interim receipts of Dillon, Read & Co.

Price 94 and Accrued Interest. To Yield over 7.55%

Further information is contained in a circular which may be had on request.

Dillon, Read & Co.

J. Henry Schroder Banking Corp. — **Mendelssohn & Co., Amsterdam**

The statements herein, based in part upon cable communication, have been accepted by us as accurate, but are in no event to be construed as representations by us.

News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

MONSTER MATTAWIN IRON RANGE MAY SOON BE DEVELOPED

Duluth Interests Have Been Working on it — Treated Ores Are Gaining Ground

Mattawin iron ore range, located near the Twin Cities at the head of the lakes, may shortly be developed by Duluth iron ore interests. Dwight E. Woodbridge is back of the enterprise. During the past year a lot of exploratory work was carried on and it has been concluded that this range is the largest iron range on the continent. When it was drilled by Mackenzie and Mann in the early years of the century, the diamond drill passed through 1,000 feet of ore, practically all of similar quality, and the range itself is several miles long and has a width of a quarter of a mile in places. Thus the exploratory work already done justifies the estimation of the ore body in millions, if not in billions of tons.

There are spots on the range where iron ore of actually commercial percentage can be mined, but the character of the range, as a whole, is that of a magnetite, too low in grade for direct shipment, but of such a composition as to lend itself admirably to magnetic beneficiation, along th lines carried out at the beneficiating plant at Babbitt.

Mr. Woodbridge, in discussing the U. S. output of iron ore, reveals facts that are of great interest to Ontario. He indicates that leases of properties are near the expiry period and a much heavier royalty is likely to be demanded when an effort is being made to renew them. In this regard also he points to the heavy decline in the available supply of free ore, which is the supply on which Canada is dependent. He says:

"It is a common remark that there is an "over-supply of ore." The statement is superficial. There is an over-supply of minimum output requirements in leases whose unexpired term is too short to permit exhaustion of the mines except by forced production. No one expects that the leases can be renewed at the former royalty rates; therefore, some operators, in an effort to lighten ship, jettison less desirable properties and crowd their old leases, which were made at a time when prices were low. Ore bodies held in fee are idle, less than one per cent. of the ore now mined in Minnesota being royalty-free.

"Oversupply of minimums will right itself before long, but there is suffering during the adjustment period. A number of mines, undesirable on account of grade of ore, cost of mining, or royalties, were dropped in 1925—concentration of effort on old leases will soon relieve that strain. The trend toward consolidation of mines in the hands of ore consumers, which was a notable factor in 1925, while it reduces the independent market, adds not at all to tonnage in sight, and ore consumption grows. It will not be surprising if lake production of ore, which in the year just passed wasa approximately $55,-205,000 tons, lake and rail combined, approaches 60,000,000 tons in 1926.

Want Uniformity

"Furnace operators are more insistent on uniformity of raw materials. By testing, grading, mining, sampling, and mixing its ores at the mines, the Steel Corporation secures as near uniformity as diverse types of natural ores are capable of giving. Some other producers approach as near the same condition as their conditions allow. But the process of mixing natural ores is an intricate one and cannot be exact. It cannot have much to do with sizing. It can be approximated only when the shipper has many mines and a tremendous consumption.

Recent results from the use of sintered ores indicate a solution of the uniformity problem. One hundred per cent. sintered ore in the furnace burden is quite new. A careful run in an eastern furnace in 1925 proved that, at that plant at least, the use of a sintered magnetite increased the output of iron by more than 60 per cent. and reduced the coke per ton by more than 40 per cent. Coke had been used in excessive amount in this furnace, and a fairer proportion of coke saving perhaps would be 15 per cent. Results at other eastern furnaces were somewhat similar.

Demand Will be Great

There can be no doubt that, in the future, sintered ores will be in great demand, if these early results are confirmed and extended. It is probable that among forthcoming mechanical improvements at mines will be sintering equipment, not alone for those ores that must be so treated to become merchantable, but also for those ores that are physically capable of being made into a sinter. Indeed, plants for this work may become as common in Minnesota as washeries are now, not necessarily for treating concentrates, but for any fine-mesh, wet, or dusty ores. One such plant was put into operation in 1925 on the Cuyuna Range. It is the forerunner of others.

There are now forty-five plants in the Lake region for beneficiating ores by washing, jigging, crushing, screening, magnetic separation, or by sintering. About 20 per cent. of the shipments of the region are products of these plants. Notable mechanical installations in 1925 were for ore treatment, chiefly for crushing and screening.

HUNTON

Hunton Kirkland shareholders have approved the reorganization plans for a 4,000,000 share company giving old shareholders one new for two old. Hunton is said to have $30,000 cash still in its treasury.

L. SOTCKETT FOR C.I.M.M. CHAIR

Rocky Mt. Branch of Canadian Institute of Mining and Metallurgy is pushing Lewis Stockett, Calgary, for president of the institute for 1926. Mr. Stockett has been associated with Alberta and B. C. mining for 30 years and has been a member of the institute 20 years.

Quebec's Gold Copper Area Subject of Many Deal Rumors

Interest in Gold Sections Not Great—Sensational Thompson Property Changes Hands Without Arousing Least Bit of Interest

There is all kinds of talk about a Quebec mining boom going the rounds and there are plenty of rumors of deals and negotiations to indicate that a boom is a possibility, if the supposed principles in the deals are talking real and not stage money. There is also a danger of wild catting. The only recommendation some of the ventures facing the public have is that they have acreage.

One thing which lends credence to reported new deals is that the name of Consolidated Smelters is associated with the optioning of some important groups of claims. There is also a report that control of Amulet has changed hands. There have been many of these, but the latest is that Noah Timmins, the largest individual shareholder, and who also has an option on control of Waite Montgomery, is now in control of the company. R. Popham, Montreal, who brought out Amulet, is backing the Area mines, a new Quebec proposition.

Quite Ignored

It is noteworthy that all attention is focused on the copper-gold sections. Just recently Huronian Belt took up the Thompson group adjoining the O'Brien in Cadillac. This property has revealed sensational free gold showing on the surface. Large massive chunks of vein matter impregnated with coarse gold, much like the old Croesus, yet not a word is heard about it. This is an actual operation, as a gang of 50 men is reported at work.

Two new Quebec companies are announced: Stadacona takes over the Gamble holdings in the Rouyn district, in which are involved a number of prominent politicians at Ottawa, together with a number of well-known names in Hollywood.

Grover-Daley is a property originally held by M. B. Grover and J. Daley of Haileybury between the Amulet and the Noranda—adjoining part of the Area mines.

Noranda Possibilities

Rather an interesting analysis of Noranda, now selling around $16, is made by Gordon's Mining Service. The principal of this has been closely associated with the company for some years. After making the point that the market value placed on the mine at $15 is $21,330,000, he outlines the company's holdings. He points out that the official estimate of ore reserves to the 106-ft. level were $12,-407,400. The shaft has since been carried to 310 ft. and on the developments accomplished to date the estimate is made that reserves to that horizon will run $45,862,000. The average content of the ore, gold and copper, he figures at $25 per ton. He estimates a gross recovery from this of $36,690,000. He says that it is fair to conclude that to a depth of 1,000-ft. Horne property will produce $100,000,000.

CONTACT OPENED VEIN EXTENSIONS

Picked up Faulted Section of Green Meehan—Mill Foundations In

Cobalt Contact Co. has completed the foundations for its mill and the superstructure should be started at an early date. Underground work is being concentrated on preparing stopes with a limited amount of new development and exploration. The most promising development of late has been on the Green Meehan where the faulted extension of No. 1 vein to the north has been picked up on the 100 and 200 foot levels. On the first, work is in 12 and 15 feet and the vein is better than earlier indications, running around 2,000 ounces. On the second the vein is showing much the same character as south of the shaft. Little work has been done. The shaft on the Contact property has been carried to the 200-ft. level and the station cut. This shaft is almost on No. 1 vein and it is the intention to open it up. The dip of veins 2 and 3 at the 100-ft. level indicates a possibility of picking these up some 25 feet nearer the shaft on the new level.

An interesting point about the Green Mechanics that a number of interesting cross veins which have been shot into are looking up well. One of these, heavy in galena, runs six inches wide and carries good silver values. There are five others that have been partially opened.

No work has been done as yet on the Low or Hunter properties.

CONIARUM MILL WAS DISCUSSED

Reasonable Assurance of One in Good Time, Says Goldale President

There are reasonable assurances of a mill for Coniarum in good time, according to J. Y. Murdock, president Goldale mines, to shareholders at the annual meeting. The matter is in the hands of Coniarum. The discovery of commercial ore at the 1,000-ft. level on the Coniarum was believed to be a continuation of the ore located under previous management on the Goldale at the 500-foot level. By maps it was indicated that the ore bodies revealed so far are related although they stretch from the old Goldale workings near the McIntyre north-east to the new workings on the Newray property.

The company reports that since the annual statement was sent to shareholders, raising had been under way at the 700 and 1,000-foot levels and that the vein matter had improved. He said further that a very considerable body of ore had been put in sight and the fair tonnage had been broken and stored underground. In the present workings the ore appears to be better at the 700-foot level than the 400 and better at the 1,000-foot level than at 700.

The shaft is to be carried to 1,500 or 1,700 ft.

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Noranda Settlement is Made With Syndicate

Holders of shares in the syndicate that financed Ed. Horne when he staked Horne property in Quebec, have accepted Noranda's offer for a cash settlement of the purchase price of the property. The vendors accept a 6½ per cent. discount for cash. The syndicate will have a 10 per cent. interest in the new Horne company.

Noranda made the concession to the syndicate that the 10 per cent. of Horne stock that is to be issued to the vendors will not be pooled. It was a former part of the contract that these shares were to be pooled for one year. Noranda has now completely cleared the decks for whatever action the directors may have under contemplation.

HAULTAIN HAS CUT THREE INCH VEIN

Good Progress Being Made on Opening New Gowganda Silver Property

Haultain Silver, operating in Gowganda has picked up a three inch vein of cobalt and galena in a north crosscut on the 150-ft. level. It is thought to be No. 8 vein or surface and which gave good silver values in surface exploration. Drifting on the vein has been started by Manager F. Carnegie.

The company has accomplished about 500-ft. of drifting and crosscutting to date. High grade ore running 4,000 ounces was encountered in the shaft at the 100 foot level and assays running all the way from a few ounces up to this high grade value were found in No. 5, the shaft vein, which has now been opened up in the drift for a total length of about 250 feet.

A cross-cut, west from the shaft vein, has been pushed to a distance of 135 feet and two strong veins with several small veins opened up in this west crosscut with showings of native silver in two instances. A crosscut has also been driven a total distance of 125 feet east of the shaft vein, cutting two strong veins.

Some of these veins on the surface are over 500 feet in length and surface assays have run as high as 789 ounces with nuggets of free silver exposed on the surface in several places.

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Royalite Well Said to be Greatest in World

"World's greatest well," is the way the Montana Oil Journal, Great Falls, Montana, refers to Royalite well No. 4 of Imperial Oil, south of Calgary. It says: "Few people realize that Alberta has the most remarkable oil well in the world. In an article in this issue of the Journal, President Stillman of the Imperial, announces that its Royalite No. 4 well in the old Okotoks field—the scene of the Calgary boom of 1914—made 160,000 barrels of 72 gravity gasoline during the past year, ranking it as one of the most prolific wells in the world. Figuring this gasoline worth only 10 cents a gallon, the Royalite well yielded its owners more than $600,000."

MONTREAL ROUYN

A copper find is reported on Montreal Rouyn property, being an extension of a body on Amulet's group "C" adjoining.

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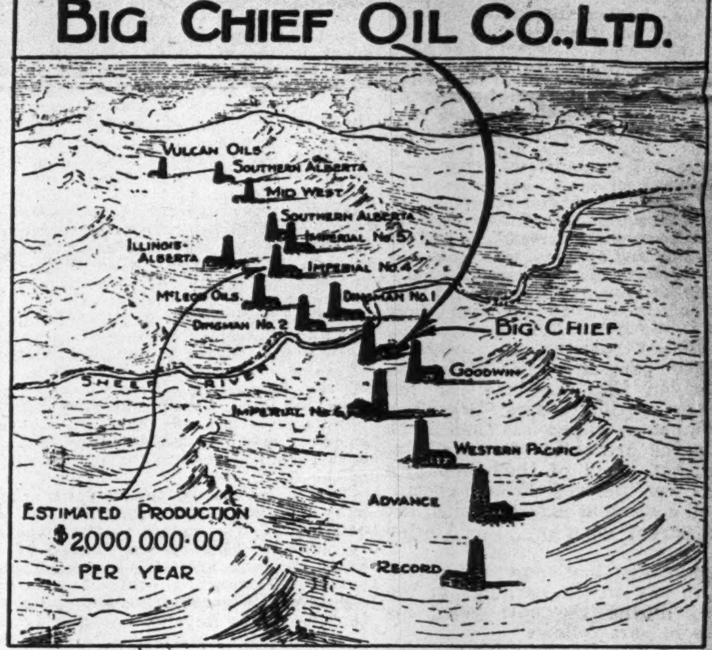

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News of the Mines

DEMAND FOR DATA ON MINES REVEALS VERY KEEN INTEREST

The Financial Post's Inquiries on Mining Speculations Show Large Increase

The tremendous interest now being taken in mine shares is evidenced by the great number of inquiries that are pouring into The Financial Post. It has been decided that from now on the most interesting of these will be published with the other mining news on the mining page.

VIPOND

Banker, Ontario.—How do you regard shares of Vipond Consolidated?

Vipond Consolidated is a producing gold mine which has met with such success in the development of its property that it is now doubling its mill capacity. This should bring earnings up around $100,000 monthly. Dividends, then, would not be far off.

CAPITOL MINES

H. J. S., Toronto.—Will you kindly give me your opinion regarding Capitol Silver? What is the future?

Capitol is quite speculative as the property has not as yet been developed. From a geological point of view it has a good outlook. Nipissing, Mining Corporation and McIntyre are all dividend payers and look to have a very excellent future.

GOLD HILL

J. S., Hamilton.—Would you kindly advise me as to Gold Hill?

Gold Hill Mining Co. is operating in the Boston Creek area. It is a selective proposition with very rich ore which seems to have possibilities of perhaps working out well. It is well managed. We understand that in the course of the next week or so the stock is to be listed on the Toronto exchanges.

MINING CORPORATION

H. S., Toronto.—Has Mining Corporation of Canada a good outlook?

Mining Corporation is doing well on its old Cobalt properties and extra wel in South Lorrain. Besides it stands to profit in a large way by the deal for the Flin Flon property in Northern Manitoba. It looks good for a long pull and in the meantime should be able to pay dividends regularly from now on.

TECK HUGHES

J. H., Ontario.—Is Teck Hughes a good buy at the present price, or do you think it will come down somewhat, considering the heavy expense of installing new mill in the near future?

Teck Hughes shares have had a material rise sice you wrote to us, but in discussing the matter with brokers we find that there is a feel- that while there has been a reaction in the shares due to profit taking that unltimately the proposition will sell higher. The company recently paid its first dividend and we would judge from its financial position that it will be able to maintain dividends from now on.

NORANDA

Northerner.—Would you buy Noranda at, say, $10 or $11? What is the capitalization of Noranda and Amulet, and what is the par value?

You mention Noranda at $10 or $11 a share. It is now selling around $16. Brokers say it has possibilities of selling higher. Noranda recently issued new stock to the holders of its 20,000 shares of stock $100 par value, giving them one hundred new shares of no par value for each share held. That will give Noranda a capital of 2,000,000 shares. There is something around 400,000 shares not issued. Amulet is capitalized at $4,000,000, with about two million issued.

TROY MINES

W. A. L., Hamilton.—Would appreciate some advice on the "Troy Mines," of Vancouver, B. C., which is being operated by the Northland Mining Co., Ltd.

Troy Mines, Vancouver, B. C., had a group of claims in the Salmon River section of the Portland Canal mining area. The property is located on the side of a mountain and is well provided with water power capable of meeting its requirements in this regard. It looks like a prospect that is worthy of the expenditure of quite a little money to prove whether or not there is a mine there. The report of a capable mining engineer, who examined the property, said in conclusion: "I consider the Troy group of properties fully warrants devlopment with exceptional possibilities of proving a large and valuable mine."

CRESCENT SILVER

G. F., Toronto.—On the advice of a mining engineer who has since left the country I bought ten thousand shares of Crescent Silver Cobalt Mining Co. This is now two years ago, and the property was then a prospect. Can you favor me with information on the following points?: Has the company a mining plant and camps on their own property? How much underground work has been done, and what depth has been attained? Has the result of development been favorable? Do geological conditions exist similar to Cobalt, South Lorraine and Gowganda?

Crescent Silver looks to have merit. It is in a section of the Cobalt area that has been neglected. The property is fairly well equipped and fairly easy of access to carry on mining operations. The operators, by driving an adit into the side of the hill for some 800 feet, put the proposition in a position where they say that the expenditure of little money would put a considerable tonnage of ore in sight. This ore contains fair silver values, with a heavy cobalt content. We understand, however, that there are showings of high grade silver, which those in control seem to think would rapidly develop into high grade shoots with a little more work. The operation looks to have possibilities. Geology is good.

Foley Picks Up Rich Ore on 500-ft. Level

Rich ore shoots encountered on upper levels of Foley mine, Mines Centre, are now being picked up on the 500-foot level, as drifting proceeds North on vein number three. It proves also that the sheets materially lengthen and the veins widen as depth is attained. At the 500-foot level from close sampling across the face of the drift at top, centre and floor, following the drifting as it proceeds, over 75 assays were made. Across a stoping width of from 3½ to 5 feet, and along 211 feet of drifting, an average value of $17.65 per ton in gold was obtained, and the drills have not yet reached the Northern limit of the shoot, says a Port Arthur report. Visible gold was frequently encountered.

On the 600-foot level drifting is proceeding at the rate of four feet to the round, two shifts, with the object of getting under this ore shoot. Though 35-ft. from where ore is expected the vein has widened to 7-ft. It is the present intention of the management to sink the winze a further 200 feet and open up the 700 and 800-foot levels.

WANT B. C. ANTIMONY

Civil war in China has cut off the world's antimony supply and operators are looking to British Columbia to make up the shortage. There are extensive deposits in that province but only two properties have so far been worked to any extent. The cheap coolie labor in China has hitherto tended to keep prices down, British Columbia with her high production costs being unable to compete with the Oriental supply even in the United States, the largest consumer of antimony in the world. Under the changed conditions it is now hoped that many dormant properties will be revived.

RISE IN MINING SHARES DISCOUNTS MUCH GOOD NEWS

Danger of Heartaches for Many if Upward Move in Some Continues

Some of the mining stocks are getting pretty high and not a little of the gossip that is going the rounds seems designed to put them higher. The majority of the stocks may be worth what they are selling at—ultimately—but taking the most optimistic view possible, the only conclusion is that a great deal of good news has already been discounted.

A northern correspondent has just called attention to stories being circulated about Lake Shore. Last week The Financial Post published what it considered a fair review of that company's position. Since then stories have been circulated that would indicate that The Post article was very conservative. It was not. As the northern writer points out, these extremely optimistic reports having no sign of fulfilment for some time to come, are quite likely to bring heartaches to many.

Lake Shore has moved up to within striking distance of $13; Kirkland Lake Gold reached $1.25; Beaver 85; Teck Hughes is back to $3.50; Wright Hargreaves is close to $9 and McIntyre is at $24.50.

There isn't a price in the above that cannot be called high—yet they may go higher. The intrinsic value behind the shares does not seem to enter. The market seems set to discount good news in copious doses.

One Canadian Mine Producing 10% World's Lead, 7% of Zinc

Sullivan Mine of Consolidated Smelters is Steadily Expanding —Custom Ores Are Being Handled Now at Trail

From Our Own Correspondent.

VANCOUVER.—Ten per cent. of the world's lead and seven per cent. of the world's zinc is now being produced from a single mine in British Columbia, operated by the Consolidated Mining & Smelting Co. Never before has the Trail smelter of this corporation been operating on such a big scale, and the enormous development of the Sullivan mine has resulted in the building almost overnight of a city of 6,000 population at Kimberley.

Three hundred and thirty-five tons of lead is being put out by the lead refinery at Trail, while the zinc refinery, which puts out an electrolytic product from the leached roasts of the zinc plant, produces each day 160 tons of zinc. Practically all the ore that goes through the Trail plant originates in the Sullivan mine, the largest of its kind in the British Empire. There is no larger non-ferrous metalliferous mine in the world.

Important extensions, designed to increase the capacity of the Trail smelter enormously, were installed during the past two years, and much of this development was brought about following the discovery of a cheap process of dealing effectively with the refractory ores of that district, many thousands of tons of which has been virtually abondoned as useless for refining purposes. Not only in lead and zinc has the company's productive capacity been increased. Provision has recently been made for the output of silver and antimony in much larger quantity than before.

During the past year the Consolidated broadened the scope of its service to the independent producing mines of the Kootenay country by placing its milling facilities at Tadanac at the disposal of custom mines without mills of their own.

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Haultain Silver
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Important developments are taking place at this property.

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**Lake Shore
Noranda
Keeley
Kirkland Lake
Teck-Hughes**

INFORMATION of current interest regarding these companies, as well as a general resume of existing mine conditions, is contained in the new issue, now ready for mailing, of

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AND COMPANY
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Dome and McIntyre After Adjacent Goldale Claims

Dome and McIntyre are evidently looking for added acreage. This seems to be the significance of Pres. J. Y. Murdock's statement at Goldale's meeting. He said that an offer in five figures had been made for Goldale's block adjoining Dome. The offer for the McIntyre group had just been rejected, but negotiations are still on. Doubtless a deal could be made on either at once, only Goldale directors desire to retain an interest for their shareholders, and this is the fly in the ointment.

CANADA IS LARGEST PRODUCER OF NICKEL

Value of Production of Ontario Mines Second Only to Dominion's Gold Output

By A. H. A. ROBINSON,
Mines Branch, Ottawa.

Though nickel is not, like iron and copper, one of the world's major industrial metals, it occupies a place of constantly increasing importance and, in so far as Canada's metal production is concerned, is second only to gold in the value of the annual output.

Canada's nickel industry had its beginning in 1887, in the discovery that certain mineral deposits at Sudbury, in Ontario, that had been taken up and worked for copper also contained nickel and were in reality great nickel deposits rather than copper deposits. Nickel was at this time, however, commercially speaking, a comparatively unknown metal for which there was no great demand—the world's annual consumption being only about 1,000 short tons—so that the history of the first few years of the industry is the record of an almost continuous uphill fight to find new uses and a profitable market for the output. Indeed, competition in the nickel field has always been keen, and though numerous companies have from time to time been formed to engage in the industry in the Sudbury district the only survivors are the two large corporations, the International Nickel Company and the Mond Nickel Company. At the present time these two concerns account for practically all of Canada's output (in round figures some 35,000 short tons valued at over $19,000,000, constituting over 80 per cent. of the world's requirements in 1924) except some small amounts recovered as by-products from the treatment of Cobalt silver ores. The record production of 46,000 short tons was made in 1918.

Previous to the Washington Conference probably more than 50 per cent. of this nickel went into armor plates for warships, but now the greater part of it finds its way into peaceful industries where it is put to many and diverse uses which may be grouped under four or five general headings, viz.: as a component of many alloys both ferrous and non-ferrous, of which the most important is nickel steel; as a surface coating for other metals; as a chemical or catalytic reagent; and as pure malleable nickel for the manufacture of cooking utensils, dairy equipment, and innumerable like articles made by rolling, forging, pressing or drawing the metal.

Not only is Canada by far the largest producer of nickel in the world, but the reserves of nickel ores are vastly greater than those of any of her possible competitors and this together with the many other advantages she possesses gives her a predominant position in the world's nickel trade that is well nigh unassailable.

MINING STOCK QUOTATIONS
Week Ending January 26

	High for week	Low for week	Close Jan. 26	Close Jan. 19	Sale for week
Apex	3½	3	3	3½	7000
Amulet	1.50	1.27½	1.29	1.36	70970
Argonaut	21	18	19¾	19½	127400
Atlas	2	1¾	1¾	2	10000
Baldwin	2⅜	2	2¼	2¼	40000
Barry Holl.	28½	22	28	22	151230
Beaver	81	53	80	54½	298200
Bidgood	8¾	8	8	8½	9500
Beatty	1	1	1	1	1500
Bo'lamaque	7.65	7.45	7.65	7.50	8655
Buckingham	2⅞	2⅞	2⅞	2⅞	1000
Can. Lorrain	93	82	86	81	161090
Capitol	37	36	36½	37	57000
Castle Tre.	1.67	1.55	1.63	1.57	126350
Chaput H.	20	10	19½	15	175250
Clifton	4	3	3	3	19800
Coniagas	4.25	4.00	4.05	4.25	1600
Coniar'm	4.30	4.00	4.00	4.25	2500
Col. Kirkland	4	3½	4	3⅞	17000
Cons. Smelters	189¾	182½	188½	185	11694
Cons. W. Dome	23	22	22½	23	152595
Crown Res.	20	18	20	20½	79350
Davidson C.	1¾	1¾	1¾	1½	2000
Dome Mines	17.10	16.75	17.00	16.87	9085
Everett	9¾	8½	8½	9	62300
Goldale	41	38	39¼	41	65200
Gold Reef	1¾	1½	1¾	1⅞	7000
Hattie	½	¼	¼	½	12000
Hattie, pref.	1½	1¼	1⅜	2	16000
Hillcrest, pref.	79½	79½	79½	65	10
Hollinger	19.05	18.85	18.97	19.00	6610
Hunton	12½	9¾	12	12¾	184100
Laval	41	35	37¼	37	139900
Int. Nick., com.	43	41½	42¾	42½	2009
Keeley	1.91	1.70	1.74	1.80	135050
Keora	13⅞	12½	13½	13½	71150
Kirk. Lake	1.25	91	1.24	91	363450
Lakeside	4¾	4	4	5	5000
Lake Shore	11.65	11.00	11.65	10.77	14320
La Rose	35	30½	33	35	29300
Lorrain	15	9½	11¾	10	321600
Lorrain T. L.	1.00	1.00	1.00	1.00	200
McKinley	25	23½	23½	24½	44400
McIntyre	24.50	23.70	24.35	23.60	14017
Argon. Cons	42¼	40	42¼	..	9500
Mining Corp.	3.52	3.40	3.50	3.40	20635
Moneta	17	16½	17	17½	2000
Newray	43	41¾	42½	42½	7600
Nipissing	7.05	6.80	7.00	6.65	7805
Night Hawk	10	9	9	9¾	6000
Noranda	16.25	14.75	15.80	14.90	258595
Ophir	4¼	3½	4	4	8500
Pete Lake	3	2¾	3	2¾	14000
Porc. Crown	6½	6	6	6	5500
Premier Gold	2.25	2.15	2.20	2.15	10595
Preston	8	7¾	8	8	16700
Teck Hughes	3.57	3.16	3.50	3.34	201685
Thomp. Krist	2	2	2	3	1000
Timiskaming	14	13	14	13	3500
Tough Oakes	52½	49	50	52	41900
Vic. Silver	8¾	6	8¼	6	184650
Vipond Cons.	2.02	1.85	1.96	1.83	177413
Wasapika	1	1	1	1	4300
West Tree	2½	2½	2½	2½	4000
Wettlaufer	5	5	5	5	7000
Wright Har.	8.55	8.10	8.50	8.15	9205
Vickers	15	13	15	13¼	18500

Bingo Development to be Proceeded With

Cables received at The Pas, Manitoba, from England, signed Joseph Myers, Bingo's managing director, announce that development work on the mine will go ahead again. Canadian Bingo shareholders not long ago voted to delay a proposal that Bingo Mines Ltd. go into voluntary liquidation three months to enable Mr. Myers to go to England to arrange, if possible, with the English shareholders to absorb the preferred stock of the Canadian company.

This message from Mr. Myers indicates that his mission has been successful, says The Pas report.

GOLDALE

Goldale directors will consult with the shareholders before making any move to sell all or part of the 216,000 Coniaurum shares in the treasury, Pres. J. Y. Murdock says.

Debenture Holders Win Battle for Cariboo Lease

Holders of debentures on Lightning Creek property, Cariboo, B. C., have won in the battle with Mines Operating Co. The action goes back several years. The original company, Lightning Creek Co., was formed in 1895 and commenced to function immediately. For the purposes of promotion, the Great Cariboo Co. was formed a few years later, and in 1910 the Mines Operating Co. came into existence. Both latter firms were financed principally by investors in New York. The parent company was almost entirely a British Columbia organization. Charles S. Unverzagt, dominated the management of all three.

Mines Operating Co. floated a bond issue under a lease on the property of the Lightning Creek Co. for 15 years, and an agreement to pay the lessors 50 per cent. of the gold output of the mine. This agreement was renewed in 1918 and 1919.

Failure of the firm in 1921 placed the company in the hands of a receiver. Bond holders attacked the assets for collection, and after strenuous litigation were awarded judgment.

Action followed shortly by the Mines Operating Co., to give their agreement with the Lightning Creek organization precedence over the bonds—this failed.

Now application will be made to secure a lease of the property from the receiver, in an effort to try and recover a portion or all of the $250,000 invested in debentures.

PROSPECTORS PRICES CONTROL ACTIVITY

Vancouver Island and coast islands area of British Columbia have about 1,000 mineral claims, not crown granted, in good standing and many have promising indications to warrant the expenditure of sufficient capital to develop them to a productive stage. Most would require from $20,000 to $500,000 for development, according to W. M. Brewer, resident mining engineer for the province in that district.

Mining capitalists who were looking for a prospect to develop were entitled to buy at its value in an undeveloped state and should not be called upon to pay the price of a developed mine. The future possibilities of the district, depend to a large extent on the question of purchase price asked for prospects.

Past work of prospectors had revealed many occurrences of metallic minerals, but so far as actual work they have been merely scratched, despite which records showed that in thirty years the production had increased from $10,000 in 1895 to more than $4,000,000 in value in 1926. There was no reason why the ratio of this increase should not continue for the next thirty years.

Why a Mining Boom Seems Imminent

Read the current issue of "The Mining News," mailed free upon request.

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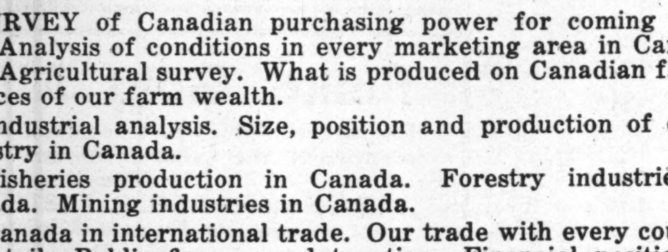

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